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23 DECEMBER 1987

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# ***JPRS Report***

## **East Asia**

### ***Southeast Asia***

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# East Asia

## Southeast Asia

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## CONTENTS

23 DECEMBER 1987

### AUSTRALIA

Reportage on Antibases Rallies, Peace Activist's Visit .....	1
Senator, Widening Coalition Involved [Stephen Long; TRIBUNE, 21 Oct 87] .....	1
Participants on Increasing 'Professionalism' [Stephen Long; TRIBUNE, 28 Oct 87] .....	2
Report on Visiting UK Activist [Denis Freney; TRIBUNE, 28 Oct 87] .....	3
Hawke Hits Businessman's Support of Pinochet [Mike Steketee; THE SYDNEY MORNING HERALD, 14 Sep 87] .....	4
Hawke Performance at CHOGM Analyzed [Mike Steketee; THE SYDNEY MORNING HERALD, 19 Oct 87] .....	4
Editorial Views CHOGM as 'Irrelevant' [THE SYDNEY MORNING HERALD, 19 Oct 87] .....	5
Coal Deal With Japan Links Jobs, Dollar [Mike Taylor; THE AUSTRALIAN, 8 Sep 87] .....	6
Keating Rules Out Budget Action [Steve Burrell; THE SYDNEY MORNING HERALD, 27 Oct 87] .....	6
Unions Rally Against Police Raid on Builders Federation [Mike Taylor; THE AUSTRALIAN, 15 Sep 87] .....	7
NFF Says Farmers Ready To Do Without Government Aid [Peter Fray; THE SYDNEY MORNING HERALD, 24 Oct 87] .....	8
Business Leaders, West Australia Government Bid To Rescue Bank [Paul McGeough; THE SYDNEY MORNING HERALD, 26 Oct 87] .....	9
Opposition Defense Spokesman Criticizes Inadequacy of Navy [THE SYDNEY MORNING HERALD, 20 Oct 87] .....	9
ALP Caucus Left, Right Freeze Out Center [Mike Steketee; THE SYDNEY MORNING HERALD, 23 Sep 87] .....	10
Weekly Lists Who Has Hawke's Ear [THE SYDNEY MORNING HERALD (GOOD WEEKEND supplement), 7 Nov 87] .....	11

### BURMA

Cooperation With PRC Discussed [THE WORKING PEOPLE'S DAILY, 14 Nov 87] .....	14
Accord With PRC Signed [THE WORKING PEOPLE'S DAILY, 17 Nov 87] .....	14
Financial Agreement Signed With Federal Republic of Germany [THE WORKING PEOPLE'S DAILY, 13 Nov 87] .....	14
Rail Service Modernization Project Phase 1 [FORWARD, 1 Nov 87] .....	15
Shelter Problem for Urban Dwellers [BUSINESS TIMES, 4 Nov 87] .....	16
Agriculture Sector Said Still Mainstay of Economy [THE WORKING PEOPLE'S DAILY, 14 Nov 87] .....	17
Measures for Collecting Land Revenues in Crops [THE WORKING PEOPLE'S DAILY, 15 Nov 87] .....	18
Insurgent Groups Surrender [THE WORKING PEOPLE'S DAILY, 7 Nov 87] .....	18
Report on Karen Insurgents [BANGKOK POST, 8 Nov 87] .....	18

### FIJI

Public Service Commission Queries Australian Aid Deal [THE FIJI TIMES, 11 Nov 87] .....	20
JAL Pullout Hits NMA Export Market Hunt [FIJI SUN, 24 Sep 87] .....	20
Indonesia Offers To Buy Sugar, Sell Oil [Mesake Koroi; THE FIJI TIMES, 6 Nov 87] .....	20
Deal May Change Pattern of Trade [Mesake Koroi; THE FIJI TIMES, 9 Nov 87] .....	21
Minister Announces 'Sweeping Changes' to Land Policy [Mesake Koroi; THE FIJI TIMES, 18 Nov 87] .....	22
Constitution Temed Inadequate To Meet Needs [THE FIJI TIMES, 12 Nov 87] .....	22
Few Constitution Changes Proposed [Mesake Koroi; THE FIJI TIMES, 17 Nov 87] .....	23
'Revived' Original Chamber of Commerce Challenges New Body [THE FIJI TIMES, 18 Nov 87] .....	23
Immigration Department 'Flooded' With Passport Requests [THE FIJI TIMES, 11 Nov 87] .....	24
Tax Free Zones Go-Ahead [Mesake Koroi; THE FIJI TIMES, 20 Nov 87] .....	24
Government Reshuffles Top Civil Service Posts [THE FIJI TIMES, 6 Nov 87] .....	25
Bans on Unions Lifted [THE FIJI TIMES, 6 Nov 87] .....	26
Budget Geared for Recovery [THE FIJI TIMES, 9 Nov 87] .....	26

Economic Slump Expected To Continue	[THE FIJI TIMES, 11 Nov 87]	27
Country's Economic Challenge Assessed	[THE FIJI TIMES, 11 Nov 87]	28
Banks Face High Rates, Cash Crisis	[Asha Lakan; THE FIJI TIMES, 16 Nov 87]	28
Ministry Organizes Workshop on Economy Plans, Trade, Industry	[THE FIJI TIMES, 20 Nov 87]	29
\$6M Sought in Government Tender Call	[THE FIJI TIMES, 20 Nov 87]	30
Digital To Stage Biggest Exhibition Ever in Country	[FIJI SUN, 19 Sep 87]	30
Alliance Councillor Lal Eyes Suva Mayoral Seat	[THE FIJI TIMES, 7 Nov 87]	30

## INDONESIA

Doubling of Trade With PRC Reported	[ANTARA NEWS BULLETIN, 14 Nov 87]	32
Canadian MPs Impressed With East Timor	[ANTARA NEWS BULLETIN, 19 Nov 87]	32
UN Vote on East Timor Human Rights	[Denis Freney; TRIBUNE, 28 Oct 87]	32
Japanese View Country as Good Investment Climate	[ANTARA NEWS BULLETIN, 21 Nov 87]	33
Britain To Step Up Trade, Investment	[ANTARA NEWS BULLETIN, 11 Nov 87]	33
Naro Appeals to Suharto Not To Attend Manila Summit	[ANTARA NEWS BULLETIN, 11 Nov 87]	34
Taiwan Trade Figures	[ANTARA NEWS BULLETIN, 28 Oct 87]	34
Malaysian Minister Calls for Uniform Palm Oil, Rubber Prices	[ANTARA NEWS BULLETIN, 17 Nov 87]	34
SGS Contract To Be Extended 3 Years	[ANTARA NEWS BULLETIN, 12 Nov 87]	35
SGS Contract Extension Hailed	[ANTARA NEWS BULLETIN, 13 Nov 87]	35
Jakarta Linked to Arms Dealing	[NEW ZEALAND HERALD, 29 Sep 87]	35
Mounting Pressure for Reform Described	[James Dallmeyer; PAPUA NEW GUINEA POST-COURIER, 4 Nov 87]	36
NU Decides Not To Revert to Political Role	[ANTARA NEWS BULLETIN, 19 Nov 87]	37
Tin Exports Continue To Drop	[ANTARA NEWS BULLETIN, 1 Nov 87]	37
Oil Find in Java Sea	[ANTARA NEWS BULLETIN, 3 Nov 87]	37

## KAMPUCHEA

### PEOPLE'S REPUBLIC OF KAMPUCHEA

Kompong Som Food Purchase, Sale Objectives Discussed	[KAMPUCHEA, 26 Mar 87]	38
Editorial Urges Fulfillment of Food Purchase Plan	[KAMPUCHEA, 14 May 87]	39
Problems in Phnom Penh Tax Collection Noted	[Keo Rath; KAMPUCHEA, 14 May 87]	40
Bus Transport Network Operation, Income Reviewed	[Keo Ratna; KAMPUCHEA, 2 Apr 87]	41
Kompong Cham Youth Organization Recruitment	[Yos Thirith; KAMPUCHEA, 7 May 87]	41

## LAOS

UN, Bilateral Aid Projects Reported	42	
Luang Prabang Hospitals	[KPL NEWS BULLETIN, 2 Nov 87]	42
IFAD Project Strengthens State Bank	[KPL NEWS BULLETIN, 6 Oct 87]	42
UNICEF Aids Luang Prabang District	[KPL NEWS BULLETIN, 29 Oct 87]	42
USSR Sports Aid, Olympic Participation	[KPL NEWS BULLETIN, 17 Oct 87]	42
WHO Helps in Khammouan Water System	[KPL NEWS BULLETIN, 4 Nov 87]	42
Hungarian, GDR Projects	[KPL NEWS BULLETIN, 27 Oct 87]	42
Import-Export Company Gets Autonomy	[KPL NEWS BULLETIN, 9 Oct 87]	43
Saravane District Trade Figures	[KPL NEWS BULLETIN, 28 Oct 87]	43
Savannakhet Province Trade Figures	[KPL NEWS BULLETIN, 30 Oct 87]	43

## MALAYSIA

Paper Views Improvement in Trade Relations With PRC	[NANYANG SIANG PAO, 16 Sep 87]	44
PRC Commercial Attaché Cites Improvement in Trade Relations	[NANYANG SIANG PAO, 18 Sep 87]	44
Paper Comments on UN Resolution on Cambodia	[NANYANG SIANG PAO, 17 Oct 87]	45
Joint Oil, Gas Exploitation With Thailand	[Ahirudin Attan; BUSINESS TIMES, 20 Nov 87]	46
Islam Helping To Promote Trade	[NEW STRAITS TIMES, 9 Nov 87]	47
Call For Banks' Cooperation in Economic Growth	[BUSINESS TIMES, 10 Nov 87]	47
Paper Calls for More Trade, Ventures	[BUSINESS TIMES, 6 Nov 87]	48

Minister Announces Objectives To Maintain Tin Production Record [ <i>NEW STRAITS TIMES</i> , 24 Nov 87]	49
Petronas Wants Investors for Deepwater Exploration [Joe Chan: <i>BUSINESS TIMES</i> , 22 Nov 87]	49
Elimination of Racial Polarization in Universities Urged [ <i>NANYANG SIANG PAO</i> , 27 Sep 87]	50
UMNO Youth's Appeal To End Abdul Rahman College Subsidy Deplored [ <i>NANYANG SIANG PAO</i> , 30 Sep 87]	51
Gerakan Official: Abdul Rahman College Deserves Subsidy [ <i>SIN CHEW JIT POH MALAYSIA</i> , 1 Oct 87]	52
Chinese-Language Press Comments on Teachers Controversy	53
SIN CHEW Editorial [ <i>SIN CHEW JIT POH MALAYSIA</i> , 1 Oct 87]	53
NANYANG Editorial [ <i>NANYANG SIAN PAO</i> , 6 Oct 87]	53
SIN CHEW Editorial [ <i>SIN CHEW JIT POH MALAYSIA</i> , 15 Oct 87]	54
SIANG PAO Editorial [ <i>NANYANG SIANG PAO</i> , 16 Oct 87]	55
Religious Knowledge Urged in Education System [ <i>NEW STRAITS TIMES</i> , 10 Nov 87]	56
Unemployment Rate To Hit 9.4 Percent [ <i>NEW STRAITS TIMES</i> , 10 Nov 87]	56

## PAPUA NEW GUINEA

Somare Denounces Deal Involving Alleged Murdani Funding [Peter Kili; <i>PAPUA NEW GUINEA POST-COURIER</i> , 11 Nov 87]	58
Deportation of Indonesian Military Attaché Demanded [ <i>PAPUA NEW GUINEA POST-COURIER</i> , 13 Nov 87]	58
Ted Diro's Resignation Hailed	59
Perjury Charges Pending [Luke Sela; <i>PAPUA NEW GUINEA POST-COURIER</i> , 9 Nov 87]	59
Congratulated for Courage [ <i>PAPUA NEW GUINEA POST-COURIER</i> , 9 Nov 87]	59
Settlement of Pangu-Melanesian Alliance Rift Urged [ <i>PAPUA NEW GUINEA POST-COURIER</i> , 5 Nov 87]	59
Dismissal of Matiabe Praised [ <i>PAPUA NEW GUINEA POST-COURIER</i> , 13 Nov 87]	60
Comments on Somare's Resignation From Pangu	60
'Pressure' Reverts to Namaliu [ <i>PAPUA NEW GUINEA POST-COURIER</i> , 18 Nov 87]	60
Influential Role Expected To Continue [ <i>THE TIMES OF PAPUA NEW GUINEA</i> , 19-25 Nov 87]	60
Drought Getting Worse [Oseah Philemon; <i>PAPUA NEW GUINEA POST-COURIER</i> , 3 Nov 87]	61

## PHILIPPINES

Priest Argues Against Economic Benefit of U.S. Bases [Fr. Eliseo R. Mercado, Jr., OMI; <i>THE MINDANAO CROSS</i> , 19 Sep 87]	62
Editorial Compares, Contrasts Superpower 'Meddling' [Marietta P. Siongco; Davao City <i>THE MINDANAO DAILY MIRROR</i> , 28 Oct 87]	62
Editorial Views Reports of Foreign Submarines [Marietta P. Siongco; Davao City <i>THE MINDANAO DAILY MIRROR</i> , 30 Oct 87]	63
Chinese Lead in Year's Foreign Investments [Liza Austria; <i>THE MINDANAO DAILY MIRROR</i> , 8 Oct 87]	64
Congressmen Divided Over Diplomatic Presence for PLO [Gaspar Balthazar; <i>THE MINDANAO MIRROR BULLETIN</i> , 19-25 Oct 87]	64
Editorial Sees Aquino Mistake in Delay of Socio-Economic Reform [ <i>THE MINDANAO CROSS</i> , 26 Sep 87]	65
Mrs Cojuangco Allegedly Accepts \$1 Million Australian Bribe	66
Firms Seek Gambling Concessions [Andrew Keenan, Louise Williams; <i>THE SYDNEY MORNING HERALD</i> , 31 Oct 87]	66
Further Details, Other Participants [Andrew Keenan, Louise Williams; <i>THE SYDNEY MORNING HERALD</i> , 31 Oct 87]	67
Australian's Views [ <i>THE SYDNEY MORNING HERALD</i> , 31 Oct 87]	70
Aquino Orders Inquiry [ <i>THE SYDNEY MORNING HERALD</i> , 6 Nov 87]	71
Aquino Orders Tighter Immigration Watch on Visitors [ <i>MALAYA</i> , 23 Nov 87]	72
KMU Warns Australian Investor Against Firm's Hired Vigilantes [ <i>SYDNEY MORNING HERALD</i> , 20 Oct 87]	72
Jazmines Views Leyte Refugees, Government Vigilantes Policy [Alan Jazmines; <i>WE FORUM</i> , 13-19 Nov 87]	73
Weekly Analyzes, Summarizes Changing Political Scene [ <i>WE FORUM</i> , 13-19 Nov 87]	75
NPA Loss of Image in Bicol Reported [Candy Quimpo; <i>THE NATION</i> , 5 Nov 87]	76

Columnist on 'Irreconcilable Forces' Arrayed Against Aquino	<i>[THE MINDANAO CROSS, 26 Sep 87]</i>	.. 77
Military Rejects Davao City Request To Stop Bombing NPA		
<i>[Vic N. Sumalino; THE MINDANAO DAILY MIRROR, 7 Oct 87]</i>	.....	78
Davao Commander Clarifies Radio Charges Linking Red Cross to Communists		
<i>[THE MINDANAO DAILY MIRROR, 18 Oct 87]</i>	.....	79
Marine General Applauded During Aquino Davao Visit		
<i>[Chris G. Sienes; THE MINDANAO DAILY MIRROR, 27 Oct 87]</i>	.....	79
Mindanao Lawmakers Oppose Purely Military Solution		
<i>[THE MINDANAO DAILY MIRROR, 17 Oct 87]</i>	.....	80
Southeastern Mindanao Reconciliation Plan Midyear Assessment		
<i>[THE MINDANAO DAILY MIRROR, 29 Oct 87]</i>	.....	81
NDF Claims Ambush of Lanao PC Chief		
<i>[Bobby Timonera; THE MINDANAO DAILY MIRROR, 4 Oct 87]</i>	.....	81
New Reward Plan on CPP Proposed		
<i>[MALAYA, 23 Nov 87]</i>	.....	82
Priest Writes Tribute to Assassinated Oppositionist		
<i>[Fr. Eliseo R. Mercado, Jr. OMI; Cotabato City, 26 Sep 87]</i>	.....	83
Congressman Warns Christians To 'Stop Exploiting Minorities'		
<i>[THE MINDANAO DAILY MIRROR, 15 Oct 87]</i>	.....	83

## THAILAND

Lao Hmong in Tak Race Repatriation	<i>[THE NATION, 11 Nov 87]</i>	..... 85
Central Bank Reviews Foreign Financial Investments	<i>[THE NATION, 2 Nov 87]</i>	..... 85
Bangkok Governor Chamlong on Change to Constitution		
<i>[Ampa Santimatanedol, Banyat Tasaneeyavej; BANGKOK POST, 27 Oct 87]</i>	.....	87
Central Bank Governor on Stronger Baht	<i>[THE NATION, 10 Nov 87]</i>	..... 88
Measures Prepared for Currency Market	<i>[THE NATION, 2 Nov 87]</i>	..... 89

## VIETNAM

### POLITICAL

Ten Years of Cooperation With Laos Commemorated		
<i>[Nguyen Vinh; VIETNAM COURIER, Sep 87]</i>	.....	91
Draft Land Act Draft Published for Comment	<i>[NHAN DAN, 21 Aug 87]</i>	..... 91
Hanoi's Chronology of Events From 15 June-14 July 1987	<i>[VIETNAM COURIER, Sep 87]</i>	..... 100
GIAO DUC LY LUAN Tables of Contents		
May 1987	<i>[GIAO DUC LY LUAN, May 87]</i>	..... 101
May 1987	<i>[GIAO DUC LY LUAN, Jun 87]</i>	..... 102

### MILITARY

October 1987 TAP CHI Table of Contents	<i>[TAP CHI QUAN DOI NHAN DAN, Oct 87]</i>	..... 102
--	--	-----------

### ECONOMIC

Hungary Provides Glove Production Line	<i>[SAIGON GIAI PHONG, 16 Sep 87]</i>	..... 103
Ho Chi Minh City Encourages Application of Technical Advances	<i>[NHAN DAN, 24 Sep 87]</i>	..... 103
Industrial-Commercial Bank Begins Operations	<i>[SAIGON GIAI PHONG, 17 Oct 87]</i>	..... 103
Transportation Fees Imposed on Vehicles	<i>[SAIGON GIAI PHONG, 18 Oct 87]</i>	..... 104
'Day of Five Billion' Called Important Landmark for Mankind	<i>[VIETNAM COURIER, Sep 87]</i>	.. 104
Social Justice Asked for Handicraft Workers	<i>[Bui Viet Si; NHAN DAN, 24 Sep 87]</i>	..... 105
TAP CHI KE HOACH HOA Table of Contents		
June 1987	<i>[TAP CHI KE HOACH HOA, Jun 87]</i>	..... 106
July 1987	<i>[TAP CHI KE HOACH HOA, Jul 87]</i>	..... 106
THANK NIEN Table of Contents, July 1987	<i>[THANK NIEN, Jul 87]</i>	..... 107

**SOCIAL**

Exercise of Stronger State Authority Urged [Le Minh Duc; SAIGON GIAI PHONG, 27 Oct 87] ....	107
Division Commander Disciplined, Corporation Investigated [SAIGON GIAI PHONG, 28 Oct 87] .....	108
Tax Service Adds Many to Rolls [SAIGON GIAI PHONG, 18 Oct 87] .....	108
Illegal Occupation of Rural Land Denounced [Nguyen Duc, Mai Van; SAIGON GIAI PHONG, 24 Oct 87] .....	109
Half of Children in Day Care Centers Found Malnourished [SAIGON GIAI PHONG, 24 Oct 87] .	110
Greater Effort To Combat Juvenile Delinquency Urged [Truong Quan; SAIGON GIAI PHONG, 25 Oct 87] .....	110

## Reportage on Antibases Rallies, Peace Activist's Visit

### Senator, Widening Coalition Involved

42000108 Sydney TRIBUNE in English 21 Oct 87 p 3

[Article by Stephen Long: "Peace Coalition Grows Throughout Pacific"]

[Text] Trespass charges were laid against more than 200 protesters arrested in the grounds of Pine Gap during the past week but their colorful, imaginative and nonviolent protest has focused Australia's attention on the real trespassers.

The presence and role of US bases has been placed firmly on the political agenda following the past week's mass actions at Alice Springs and elsewhere around the country. Labor Left politicians, in Alice Springs for the protest, have called for an inquiry into the bases, and momentum for their closure is growing.

Protest at Alice Springs reached a climax last Sunday morning when over 600 people marched to the Pine Gap gates.

After receiving messages of solidarity, local Aboriginal people, peace activists and antinuclear politicians read out an eviction notice. Senator Jo Vallentine was arrested after entering the base in an attempt to deliver the eviction notice to Pine Gap personnel.

Reading of the Nuremberg principles provided the action signal for protesters willing to be arrested and for the following hour wave after wave of protesters made their way into the base. The Aboriginal land rights flag was raised within the grounds and more than 100 people were arrested.

### Grandparents Arrested

The following day, long-time Aboriginal activist Mum Shirl, grandmother of 24 children, led a group of grandparents who also attempted to deliver an eviction notice. Ten grandparents were arrested after entering the base.

Protesters who had entered the base secretly during the night let off bright distress flares as 90 people climbed through or over Pine Gap's perimeter fence.

Street theatre, meditation, and song built an empowering carnival atmosphere during the two days of mass protest, enhancing the bond formed between demonstrators during a week of protest and learning about the bases.

Nonviolent direct action was stressed throughout the week. Group decisions were made by consensus and small affinity groups were allowed complete autonomy to plan action.

Police violence and hostility was virtually absent from the protest, largely due to the nonviolent policy adopted by demonstrators.

### Action's success

The success of the actions demonstrated "the beauty of involving people in decision-making and empowering people to take their own initiative. We've seen great things happen," Russell Goldslan of the Alice Springs Peace Group, told TRIBUNE.

Some of these initiatives included:

- Breaching security on October 13 by a radical Catholic group from Brisbane who glued themselves to the Pine Gap perimeter fence, and by other protesters who walked within metres of its intelligence transmitting radar;
- the arrest last Friday of Geelong doctor Bill Williams who attempted to present a petition to Pine Gap commander-in-chief on behalf of 59 Doctors for the Prevention of Nuclear War;
- a women's vigil and a separate men's vigil outside the base;
- graffiti on the main runway at Alice Springs airport with anti-Pine Gap messages;
- the cancellation of a scheduled visit to Australia by a US Starlifter aircraft which regularly supplies the military personnel at Pine gap due to the trouble in town.

Brian Doolan, spokesperson for the coalition, said that "having 137 diverse groups from across the country working so well together on the campaign has been a wonderful experience.

"It bodes well for the coming year's campaign, for the peace movement and for the broad left."

Education has played as important a role as activism during the past week in Alice Springs. Indigenous people's representatives from across the Pacific spoke at forums and workshops about their own struggles for independence and sovereignty.

"The week of protest," Brian Doolan said, "has allowed the anti-Bases Campaign to forge close links with indigenous people in Australia and throughout the region. It's not enough to remove the bases from Australia.

"There are up to 350 US bases in the Pacific, 10 known Soviet bases, and the continuing French colonial and nuclear presence.

"Securing our own safety and sovereignty means recognising and supporting antinuclear and independent struggles throughout the region," he said.

Preparations for the coming anti-bases protest are already underway.

**Participants on Increasing 'Professionalism'**  
42000108 Sydney TRIBUNE in English 28 Oct 87 p 8

[Article by Stephen Long: "Color, Humor, and Bases for Hope"]

[Text] Dr Bill Williams and his colleagues from Geelong know how to plan a successful peace action. The media was positively drooling when "Dr Williams" (plain Bill to us peaceniks back at the camp) strode out to the gates of Pine Gap dressed in clean-pressed strides and a tie, a stethoscope slung casually over his shoulder.

Bill had asked Pine Gap officials in advance if he could present a petition to the commander-in-chief on behalf of 59 medical practitioners from Geelong—the bulk of the city's medical profession.

When his request was met with a predictable, silent refusal, "Dr Williams" went through the barbed wire fence into the restricted grounds of the base. "I have no wish to break the law," he told assembled reporters, "but the doctors represented in this letter have not been granted the recognition appropriate to our profession."

Bill's "status" caused the police more than mild consternation. "They're in a f---ing flap back in town," he was told by an arresting officer.

The following day, "Protective Services Officer 1104" was in a flat spin too because the first arrest of her career as a senator, Jo Vallentine.

Neither the police nor the press could treat these protests with the scorn and derision which have been directed at past actions: there were too many notables, too many professionals, too much diversity and too few divisions.

A team from one of the Willesee programs asked a group of protesters if they would describe themselves as hippies. Included among these "hippies" were an agricultural scientist, two doctors, and several teachers.

"Some of the journalists here have come looking for a fringe group," said Anti-Bases Campaign Coalition spokesperson Brian Doolan. "What they've found is middle Australia."

This ultimately was what the most favorable media coverage focused on at Pine Gap. The arrests of Bill Williams and Senator Vallentine were seized upon as evidence that this was a credible protest. Sympathetic journalists commented on the "professionalism" and even the "respectability" of the demonstrations.

This kind of press has no doubt assisted the anti-bases campaign by making the protests palatable to a broader audience, but it has also overlooked essential features of what happened at Alice Springs.

Yes, the protests did have a professionalism—born of long hours of (largely unpaid) organisation by campaigners. They were also radical, democratic and empowering.

You could feel that power at the Heavitree Gap Caravan park, where most of the participants were camped, when individuals joined in affinity groups to plan imaginative, colorful and nonviolent protests.

And you could feel it, too, when the protesters came together at the gates of Pine Gap. Every arrest was a victory, symbolising a moral defiance of laws that deserved no respect. It was collective and peaceful, splashed with color, humor and solidarity. The atmosphere travelled on to the Alice Springs watch-house, where dozens gathered to cheer the arrested protesters as they were released.

Some news reports likened the successful mass actions at Pine Gap to military operations but, in this campaign, the generals weren't running the show alone. Plans for the protests came, for the most part, from the bottom up, emerging through a working example of consensus decision making.

And that consensus was achieved within a coalition of radically diverse groups. Trade unionists worked together with environmentalists, solidarity activists with women's groups, Catholics with communists—in a campaign which provided an encouraging example of broad left in action.

This was not a single-issue campaign. As one demonstrator said: "When I'm out at Pine gap, I know that the CIA's in there and that the CIA is killing people in the Philippines, in Chile, every day."

Our national sovereignty, Aboriginal people's sovereignty and the sovereignty of our Pacific neighbors is infringed upon by Pine Gap and other bases. Forums and workshops at Alice Springs used this issue to highlight the interconnections between the anti-bases campaign and the struggle of indigenous peoples, whose sovereignty and independence have been undermined by centuries of colonialism.

Much was achieved. Many of the people who came together at Pine Gap last week seemed aware that this was only a small contribution towards a greater movement for change—change which must embody the creation of what peace researcher Nancy Shelley described at the anti-bases forum as a SHE-based economy: sound, humane and ecological.

The week of learning and protest at Alice Springs projected beyond the immediate issue, providing much hope that fundamental social changes can be achieved.

**Report on Visiting UK Activist**  
*42000108 Sydney TRIBUNE in English 28 Oct 87 p 6*

[Discussion with Bruce Kent, vice chairperson, British Campaign for Nuclear Disarmament, and president, International Peace Bureau, by Denis Freney: "Bruce Kent: Sea Change Needed in Arms Debate"; first paragraph is editorial introduction]

[Text] Bruce Kent is the vice chairperson of the British Campaign for Nuclear Disarmament (CND) and president of the International Peace Bureau based in Geneva, Switzerland. Last week he concluded a two-week visit to Australia at the invitation of the Australian Coalition for Disarmament and Peace (ACDP), which is affiliated to the International Peace Bureau. Shortly before his departure, Bruce Kent spoke to Denis Freney from TRIBUNE.

Bruce Kent is one of the leading figures in the British peace movement. For years he was chairperson of CND, which pioneered the independent peace movement around the world when it initiated the "ban the bomb" movement and the Aldermaston marches in the fifties.

Bruce Kent was then a young Catholic priest. He became a Monsignor in the church before resigning recently because of the restrictions placed on his activities and the insensitivity of the Vatican to disarmament issues.

CND is naturally concerned about worldwide disarmament issues, but it has targeted British nuclear arms.

Bruce Kent said that a great many in CND are enthusiastic about the progress made in arms talks between the USSR and the USA on the issue of destruction of medium-range missiles in Europe.

"Some say however that we should keep it in perspective, as only a small amount of the total nuclear arsenal threatening humankind is involved."

### Weapon Transfer

"And there's concern that the weapons will be moved from Europe to the Pacific region," he said. In Britain, CND has to combat Thatcher's attempt to claim that her (and Reagan's) hardline approach had led to the agreement.

"The international situation is improving, but in Britain we have to educate the population to counter Thatcher's praise of nuclear weapons, supposedly on the grounds that strength provides security."

In addition, CND seeks to reverse moves in the Labour Party to "adjust downwards" their stand against nuclear weapons adopted in the last election.

Bruce Kent says that Gorbachev's initiatives were important, but so too were the new ideas on the arms race he is presenting, which challenge long-held views about defence in the Soviet Union and in the West.

Bruce Kent stressed that CND saw the "need for getting new thinking into the well-meaning areas of society, to counter Thatcher's argument that nuclear weapons preserve peace and are almost a blessing from God, as a London DAILY TELEGRAPH correspondent actually put to me."

### New Thinking

The "new thinking" on nuclear weapons is making its impact in ruling circles in the USA. "The most interesting sign was Robert McNamara's rethinking in his new book, in which he repudiates the 'flexible response' doctrine which he helped to initiate."

"A sea change" in people's minds was needed and there were signs it was beginning to emerge. Bruce Kent also stresses the need to link the disarmament debate with the huge cost of war preparations which contrasts with worldwide poverty.

"The old image of national security based on nuclear weapons has to be challenged. Instead of the image of the householder needing weapons as protection against a thief entering the house for burglary, we need to see the metaphor rather in terms of a gas leak outside a row of terrace houses.

"If we don't get together and end it, then it will blow us all sky high."

The International Peace bureau brings together all independent peace movements, including those which have developed in the USSR and Eastern Europe.

This has led to friction with official peace movements in these countries, but "the situation is much easier now. The independent peace movements still face some restrictions, but they have much more freedom to express their views than in the past," he said.

"This is so in the USSR, Hungary and now in Poland, but not so much in Czechoslovakia and Bulgaria."

CND opposes nuclear energy, although that was not on its agenda back in the Fifties. CND membership expanded fourfold in the six months that followed Chernobyl.

### High Radiation

"Chernobyl brought home to many not only the danger of nuclear power but also the threat of a world full of nuclear weapons. Even now in Wales, sheep can't be sold for consumption because of their high radiation levels," he said.

The International Peace Bureau will discuss a proposal from the ACEP to hold its next international conference in Australia in September 1988. Bruce Kent said there was little real understanding in Europe of the role of the Pacific in the nuclear world and such a meeting would help to develop such awareness.

In the coming months, CND will be preparing a major door-to-door canvas, to discuss the disarmament issues with as many people as possible throughout the country. Next Easter, the 30th anniversary of the first Aldermaston march will see star marches coming from other nuclear bases converging on Aldermaston.

CND now has 80,000 paid-up members nationally and with those in the regional CND groupings, the total membership is around 250,000. The aim is to get them all door-knocking and reaching many thousand more.

The central target will be the British arsenal and to convince a majority that Britain should get out of the nuclear arms game.

9365

**Hawke Hits Businessman's Support of Pinochet**  
*42000075c Sydney THE SYDNEY MORNING HERALD in English 14 Sep 87 p 1*

[Boldface passages as printed]

[Article by Mike Steketee, political correspondent]

[Text] Canberra: The Prime Minister has accused the multi-millionaire, Mr. Alan Bond, of going too far in his support for the Pinochet regime in Chile.

"I'm sorry that Alan has appeared to give the sort of endorsement he has," he said in an interview on the Channel 9 program *Sunday*.

"I respect Mr. Bond in many ways. I don't think that the brief visit he's had there has enabled him to make a totally balanced and considered judgment."

Mr. Bond has just returned from a visit to Chile, where he recently bought a gold corporation, and had talks with the country's military ruler, President Pinochet.

He wants to send a television team—and Mr. Bond recently bought the Channel 9 network from Mr. Kerry Packer—to Chile so that Australian can be impressed with the law and order, the absence of corruption and the "excellent" education system which he credits to the Pinochet regime.

Asked yesterday whether he agreed with Mr. Bond that there was a proper military government in Chile, not a dictatorship, Mr. Hawke said: "No. The evidence doesn't sustain the proposition."

"The evidence, for instance, of Amnesty International shows that there is an intolerable and unacceptable resort to the processes of torture, intimidation and murder."

Sending a television team would be a good idea, Mr. Hawke said, provided it had unlimited access to visit "the places of persuasion, intimidation and disposal of opponents".

"If that sort of thing were done, I don't think that Alan would have the same judgment that he appears to have made at this point." **Alicia Larriera reports:** Luis Biooazon, 27, says he was forced to endure an unbearable degree of harassment during his time at the University of Chile.

Mr. Biooazon, who now lives in Sydney, says that in Santiago his telephone was tapped, he received death threats, and he was stopped from attending lectures by troops armed with machine-guns.

In November 1986, he was arrested for his student activities, spending seven days in Santiago Jail.

In July this year, Mr. Biooazon escaped to Australia with his wife of four months. They now live in a Dulwich Hill flat, and he studies English at Petersham TAFE.

"Alan Bond should understand that if he props up the Chilean economy with his investment, he is helping to support one of the most savage right-wing dictatorships in the world."

9738

**Hawke Performance at CHOGM Analyzed**  
*42000107a Sydney THE SYDNEY MORNING HERALD in English 19 Oct 87 p 8*

[News Analysis by Mike Steketee: "PM Gets His Political Kicks on the International Stage"]

[Text] Vancouver, Sunday: Despite some chancy diplomacy last week, Bob Hawke has emerged from the Commonwealth summit with most of what he wanted.

It was a meeting in which he took an active part. The signs are that, in the fifth year of his prime ministership, Mr Hawke is looking for more of his political kicks on the international stage.

It was unfortunate for him, therefore, that following his talks last weekend with the US Secretary of State, Mr George Shultz, a strike by sound technicians blew a rare opportunity to make an impact by an appearance on an American network. (In an interview on the NBC Today Show, Mr Hawke's words echoed back through his earpiece, making him trip over words and appear uncertain.)

His visits this week to Ireland—where he was due tonight—and Yugoslavia, are less significant, although in Dublin he will address the Irish Parliament—an honour previously only extended to Presidents Kennedy and Reagan.

But he was already talking yesterday about a trip to Africa, if not next year, because of his Bicentennial commitments, then in 1989.

His rapport with black African leaders, built up at Commonwealth meetings, is good enough for Dr Kenneth Kaunda of Zambia, the Commonwealth's elder statesman in Africa, and Mr Robert Mugabe of Zimbabwe, socialist and former terrorist, to invite him to chair a joint news conference to put the anti-Thatcher view on apartheid.

He managed at this Commonwealth meeting to outmanoeuvre Mrs Thatcher on Fiji, an issue on which he took a leading role.

But then, he did have the support of the Queen and most other Commonwealth leaders, and Mrs Thatcher is the Commonwealth *bete noire*.

The Commonwealth's position on Fiji is not problem-free for the highly pragmatic policy which Mr Hawke wants to pursue. India's Rajiv Gandhi and New Zealand's David Lange feel strongly that the Commonwealth's credibility on race cannot be compromised by a ready acceptance of the discrimination which is central to Fiji's constitutional changes.

And though Mr Hawke has nudged Australia towards recognition of the new Government in Fiji, he had to concede yesterday that it may be a few years yet before he plays golf with Colonel Rabuka.

Nevertheless, the Commonwealth's statement on Fiji placed considerable emphasis on sending positive signals to Suva.

And the Commonwealth is prepared to extend its "good offices" to help Fiji's problems, which Fiji can interpret as it likes.

Underlying Mr Hawke's approach to Fiji was the need to maintain good relations in Australia's region—where most of the island nations support Fiji—and trying to ensure that the Fiji coups do not destabilise the Pacific. This was a subject he discussed with Mr Shultz in San Francisco last weekend.

Mr Hawke hopes that the former Governor-General, Sir Penaia Ganilau, and the former Prime Minister, Sir Kamisese Mara, will be involved in the new administration and influence it towards moderation.

**Editorial Views CHOGM as 'Irrelevant'**  
*42000107b Sydney THE SYDNEY MORNING HERALD in English 19 Oct 87 p 12*

[Editorial: "Playing Games at CHOGM"]

[Text] Mr Hawke certainly had an interesting CHOGM. But does he really have cause for his obvious self-satisfaction with his performance there? It is all very well for him to be pleased with himself for so publicly taking Mrs Thatcher down a peg or two. Perhaps she deserved it. Certainly, if the stories about her advisers' media manipulation are even half true, and if she did indeed use questionable figures in an attempt to show that Canada's trade with South Africa had increased since it introduced sanctions, someone had to set the record straight. But, beyond that, it must be asked what Mr Hawke achieved.

If he is pleased that CHOGM at last established that Fiji was no longer a member of the Commonwealth, it is hard to see why. That will do nothing to improve the position of the Indo-Fijian majority which, under the constitution imposed by Colonel Rabuka, will be even more disenfranchised than it was. It is hard not to think Mr Hawke's satisfaction at his performance on Fiji at CHOGM is superficial, deriving as it does from two tactical triumphs of little practical consequence. Certainly, he helped head off moves by Britain as well as Papua New Guinea and other Melanesian members of the Commonwealth aimed at keeping Fiji's membership undisturbed. And his proposal, adopted by CHOGM, to offer the Commonwealth's good offices to help Fiji solve its problems, could deflect the anger Papua New Guinea and others in the region might otherwise have felt at any strong and direct line against Colonel Rabuka.

It is hard to see, however, that CHOGM's decisions—in their essence rather than their actual expression—had more to do with Mr Hawke's efforts than the curious and contradictory compulsions of the Commonwealth itself. It is unclear how technical was the basis for declaring that Fiji's membership lapsed with Sir Panaia Ganilau's resignation last Thursday. But it probably never could have been disentangled from the racism inherent in the coups that caused the break—at least temporarily—with both the Crown and the Commonwealth.

To a remarkable and probably unhealthy degree, the Commonwealth is sustained by its preoccupation with South Africa. Given its history of condemning racism in South Africa, then, it would have been practically impossible for CHOGM to have done anything but expel Fiji, Mr Hawke or no Mr Hawke. Any move by Britain and the Melanesian members to let Fiji off scot-free was almost certainly bound to fail. If it did not fail, the futility of the organisation would have been demonstrated to compellingly that the Commonwealth already suffering a serious credibility deficiency, would have slipped into a terminal decline.

As it is, CHOGM's mild treatment of the military rulers of Fiji, far from being a matter of satisfaction, might just as much be a matter of shame. Mr Gandhi certainly thought so, and said as much. Also, there are many who would say that if CHOGM were to be consistent, its enthusiasm for sanctions against South Africa should have inclined it to apply the same measures against Colonel Rabuka's regime. Yet that is not how it went. Because of its limited membership, CHOGM is largely irrelevant on the big issues such as world trade. Instead, it remains as a forum for heads of government who otherwise would have no chance to stride the world stage and shape events. At least at CHOGM they can play at it.

9365

**Coal Deal With Japan Links Jobs, Dollar**  
*42000075a Sydney THE AUSTRALIAN in English*  
*8 Sep 87 p 1*

[Article by Mike Taylor]

[Text] The future of jobs and profitability in important sectors of the coal industry have been inextricably linked to the fluctuating fortunes of the dollar, following the renegotiation of key contracts with Japan's largest power utility.

Streaming coal exporters managed to stop Japan's big Electric Power Development Company (EPDC) from forcing a further price cut for steaming coal by writing their contracts in Australian dollars rather than US dollars.

But they have had to accept price cuts amounting to \$10 a tonne, or 20.3 percent, in line with earlier settlements with other Japanese power companies earlier this year.

The Australian Coal Association has nominated a \$10 a tonne reduction in costs as the key to avoiding further mine closures and retrenchments in the NSW and Queensland coal industries.

It is a settlement that could have been worse for the coal producers, but which places their levels of profitability close to the margin.

In writing their contracts in Australian dollars, the coal exporters are banking on the dollar holding firm around US72c to gain the maximum benefit from their exporters.

The contract was settled at the exchange rate of US72c, which means that any dramatic depreciation of the dollar would have an adverse impact on profits and jobs.

The EPDC price settlement is \$41.50 a tonne, down from \$52.05 a tonne, and will be approved by the Federal Government on the basis of its being in line with earlier contract settlements with the Chugoku Electric Power Company of about US29.40 a tonne (\$41.50).

Coal industry spokesmen said the Chugoku settlement had to be regarded as the minimum acceptable level for steaming coal settlements with Japanese power utilities.

They said the EPDC had sought to use the size of its purchases and its position as a semi-government authority to have the contract written in US dollars and reduced below the level of the Chugoku settlements, but this had been unacceptable to the Australian companies.

Those companies include R.W. Miller, Coalex and Warkworth collieries.

A spokesman for CSR Ltd's coal division, Mr. Bob Hurley, said the companies had been happy to have the contract written in Australian dollars because they felt confident it would maintain its current level until the end of March next year.

He said that while the price reduction in Australian dollar terms amounted to 20.3 percent from 1986 levels, it represented only a cut of 8 percent in US dollar terms.

The EPDC steaming coal settlement places renewed emphasis on the forthcoming contract negotiations between Australia's big coking coal producers and the Japanese steel mills.

The coking coal producers, led by BHP-Utah, will be attempting to secure price and tonnage increases based on an upturn in steel production in the United States.

/9738

**Keating Rules Out Budget Action**  
*42000107f Sydney THE SYDNEY MORNING HERALD in English 27 Oct 87 p 3*

[Article by Steve Burrell: "Keating Rules Out Budget Action"]

[Text] Canberra: The Treasurer, Mr Keating has ruled out a mini-Budget before the end of the year in the wake of the stock market crash, but has left open the possibility of further spending cuts early in 1988.

And yesterday for the first time he conceded that Australia's economic growth could slow as a result of the world market collapse.

Federal Cabinet will meet this afternoon to consider its support of a 1.5 percent national wage rise after obtaining an unprecedented one-week delay in the wage case hearing to assess the impact of the share market slide.

Although senior ministers were keeping their options open last night, the Government could seek to have the implementation of the \$7 rise sought by the ACTU delayed until February 1988.

The government is understood to have sought a January 1 starting date in its original wage case submission to the Arbitration Commission.

Senior government sources acknowledge that outright opposition to the rise would risk the whole prices and incomes accord, and with it a major wage breakout and strike action. Such acknowledgement appears to rule out that option.

But there is concern that a pay rise immediately after the commission brings down its judgment in mid-December could undermine business confidence already hit badly by the sharemarket collapse.

Mr Keating categorically ruled out the introduction of a mini-Budget in the remainder of 1987, saying that the government had already tightened Budget policy significantly.

"But as usual, the government will consider the option of a statement of initial Budgetary measures early next year," he told Parliament.

Officials said that a statement could be brought down as early as March, although no decisions on possible timing had been made.

Mr Keating told Parliament that the share crash was likely to impact on spending and confidence in the US, meaning an economic slowdown.

"If world growth slows somewhat, it is possible this could have some impact on our exports," he said.

"It is also possible that the shakeout in our own stock exchange will have some impact on Australian consumption."

While a decline in domestic consumption spending would tend to offset the impact of slower export growth on the trade deficit, they would combine to mean lower overall economic growth.

This could result in a downward revision in the Budget forecasts of 2.75 percent growth this year.

This could impact on employment and the government's long-term Budget strategy through lower tax receipts next year.

Mr Keating stressed, however, that it was too early to assess the overall impact on the economy.

Despite strong indications that the Government will seriously consider the option, the secretary of the ACTU, Mr Bill Kelty, yesterday described reports that the Government would seek to delay implementation of the next national wage rise until February as a "beat-up."

According to senior ACTU sources, there was likely to be little disagreement between the ACTU and the Government over the \$7 amount claimed by the ACTU or on the timing of the implementation of the increase.

The Opposition leader, Mr Howard, called yesterday for a complete dismantling of foreign investment restrictions and big cuts in health and welfare spending as part of a pre-Christmas mini-Budget.

Mr Howard joined the shadow Treasurer, Mr Peacock, the National Party leader, Mr Sinclair, and shadow Finance Minister, Senator Stone, in calling for an early mini-Budget to speed the pace of economic adjustment in the wake of the share market crash.

Mr Howard said that the Government should abandon its support for a 1.5 percent national wage increase and move immediately to further cut Government spending in areas such as health.

Mr Peacock rejected suggestions that an early Commonwealth mini-Budget, by effectively admitting that the government's economic policy was inadequate, could further rock business and consumer confidence and worsen the economic impact of the sharemarket crash.

"I think it's irresponsible to sit around and do nothing," he said.

"The responsible attitude would be to prepare the data for the possibility of a mini-Budget before the end of the year."

He said that as well as cuts in Medicare and the health areas, the Opposition would include more cuts in welfare spending, unemployment benefits and supporting parents benefits in a mini-Budget.

Mr Keating continued his sharp criticism of US economic policy, calling on the Reagan Administration to increase taxes and cut spending to slash its Budget deficit.

"It needs it desperately. It needs a massive mini-Budget desperately. It's about three years overdue," Mr Keating told reporters outside Parliament.

9365

**Unions Rally Against Police Raid on Builders Federation**  
42000075b Sydney *THE AUSTRALIAN* in English  
15 Sep 87 p 1

[Article by Mike Taylor]

[Text] The ACTU is under intense pressure from left-wing unions to condemn openly Tuesday's surprise police raid on the Builders Labourers Federation (BLF).

Despite a general consensus within the trade union movement that the BLF had overstepped the bounds of acceptable behaviour on the part of a trade union, there were deep-seated misgivings at the Victorian Government's handling of the issue.

The depth of feeling on the part of left-wing unions was demonstrated by the NSW secretary of the Australian Public Service Association, Mr. Raymond Harty, who described it as "absolutely, totally disgraceful".

"Where does it (the ACTU) stand on this anti-union position adopted by a States Labor government," Mr. Harty asked.

"It is all very well for people to suggest that it's just the BLF and that this is a one-off occurrence because no one can guarantee that it is."

Despite the renegade reputation of the BLF, it was clear yesterday that unions were deeply concerned a Labor government could order the raiding of a union office and the seizure of documents.

Even the more moderate left-wing unions suggested that the Victorian Government had set an uncomfortable precedent, which the union movement could not and would not accept.

The federal secretary of Australia's largest union, the Amalgamated Metal Workers Union, Mr. Jack Kidd, said that while the union would not align itself with the BLF it would not condone the raid.

"I recognize there is a problem in dealing with an organisation like the BLF, but once you raid the office of a trade union organisation you are setting a precedent that threatens some long-held understandings," Mr. Kidd said.

All unions contacted by THE AUSTRALIAN yesterday said it was a matter of concern to them that there would be suggestions from conservative political elements that unions should be subject to more intense financial scrutiny in the wake of the BLF raid.

/9738

**NFF Says Farmers Ready To Do Without Government Aid**  
42000107d Sydney THE SYDNEY MORNING HERALD in English 24 Oct 87 p 4

[Article by Peter Fray]

[Text] Farmers would gladly sacrifice all trade barriers and import protection as part of the Federal Government's proposed reform of world trade, the president of the National Farmers' Federation said yesterday.

Mr Ian McLachlan said most farmers would be prepared to forego industry assistance, valued at about \$1 billion a year, provided other sectors were prepared to go down the same track.

He described the 10-year trade reform program, proposed by the Prime Minister in Geneva on Thursday, as "simply fantastic."

However, he admitted that some groups within the rural sector would resist the total dismantling of import quotas and barriers and other forms of assistance.

Addressing a trade seminar in Sydney, Mr McLachlan said it was important that sectors such as manufacturing, which received about \$11 billion worth of protection a year, were prepared to accept reform.

"The fact of the matter is that everyone must play their part," he said. "If you want a healthy market economy, high employment and a trade sector ready to respond to changes in the world market, then Australia must get off the government bottle."

The executive director of the Business Council of Australia, Mr Geoff Allen, also welcomed Mr Hawke's trade initiative.

But he said he believed Australia's approach to trade reform had caused problems in its approach to the new round of General Agreement on Tariffs and Trade (GATT) talks, due to start next year.

"I think it is a matter of concern that we are being seen to be single-issue advocates in international diplomacy," he said.

Mr Allen said the government had virtually ignored reform in the goods, services, manufacturing and investment sectors.

But, according to Mr Harald Malmgren, a Washington-based trade consultant and former United States trade negotiator, Australian politicians often alienated their US counterparts by "whining" too much.

"Political leaders in countries like Australia are right to complain that they are being squeezed," he said.

"However, complaining rarely leads anywhere. Politicians who whine simply have to join a massive chorus of whiners from 100-odd nations.

"To a member of Congress, complaints from depressed Kansas farmers or Michigan unemployed are closer than whining of politicians in other nations.

Mr Malmgren said Australia could exert more influence on the US by suggesting new trade initiatives to be taken together with other nations and by being more positive.

"A handful of countries working constructively, and in support of US leadership, could turn around the present deterioration of the GATT," he said.

In Brussels, European Community officials on Thursday described as unrealistic a demand by major farm nations for a freeze in farm subsidies by the end of 1988 and their total elimination by the end of the century.

"If this really happened, agriculture would be the only trade sector which was totally free from subsidies," said one EC official.

9365

#### **Business Leaders, West Australia Government Bid To Rescue Bank**

42000107e Sydney *THE SYDNEY MORNING HERALD* in English 26 Oct 87 p 1

[Article by Paul McGeough: "\$300M Bid To Rescue WA Bank"]

[Text] Perth: Australia's biggest business names and the West Australian Government have clubbed together in a \$300 million bid to head off a run on financial institutions after the near-collapse of Rothwells merchant bank.

The State Government is attempting to tackle the crisis caused by last week's sharemarket crash, and the Premier, Mr Burke, moved late yesterday to reassure the State's investors.

The chief of the Bell Group, Mr Robert Holmes a Court, confirmed last night that he had contributed \$5 million to the emergency package. His fellow Perth entrepreneur, Mr Alan Bond, said he was in for \$10 million.

In a race against time, Mr Bond and Wardley Australia Ltd, underwriters of the rescue bid for the bank—the known elements of which include a \$164 million rights issue and a \$20 million placement, attempted to sew up the crisis deal before the start of business this morning.

Short-term investors who decided to opt for the relative safety of commercial banks pulled an estimated \$200 million out of Rothwells last week, creating fear in Canberra and Perth that unless a rescue plan was in place by today there would be a run on the bank that could spark demands on other institutions.

According to a statement from Rothwells last night, the other individuals and organisations that had come to its rescue included: Kerry Packer, Ron Brierley, Larry Adler, Dallas Dempster, Alan Hawkins, John Elliott's Elders IXL, John Roberts' Multiplex, property developers Carringbush, Pioneer Concrete, Sir Tristan Antico, and the Queensland State government insurance agency, Suncorp.

A meeting of the WA Cabinet's Budget subcommittee was still considering a range of options for further assistance to the bank, valued in commercial quarters at up to \$150 million.

At a press conference late yesterday, Mr Burke, whose Government was recently attacked over the rescue of a local credit union and a small building society, said the WA Development Corporation had rejected a suggestion that it join Wardleys in underwriting the deal.

However, he said: "They [those taking part in the rescue] have said that any banking collapse would be a serious challenge to the Australian financial system, and that corporate Australia has a role to play in preventing any collapse." [bracketed portion as published]

The first public sign of Rothwells difficulties was queues in the lobby of its Perth offices on Friday morning, when clients found that Rothwells' cheques were not being honoured.

The bank's chairman, Mr Laurie Connell, said in a statement that Rothwells had decided to take a prudent and conservative position on its capital backing to "ensure sustained growth and profit, and to emphasise our financial strength."

"It will mean that if there is a run tomorrow, there will be sufficient funds to cover everything," he said.

Others put the position more bluntly. Mr Bond said: "They [the withdrawals] were just like a run on a bank...it was not in the interests of the delicate world of Australian financial position." [bracketed portion as published]

Mr Holmes a Court said: "This [our commitment] is not a judgment of the strengths or weaknesses of Rothwells. But if this had not been done this weekend, there would have been a run on Monday. [bracketed portion as published]

"This package will protect the depositors."

9365

#### **Opposition Defense Spokesman Criticizes Inadequacy of Navy**

42000107c Sydney *THE SYDNEY MORNING HERALD* in English 20 Oct 87 p 3

[Text] Canberra: Australia had become an impotent naval power in its own region because of the lack of adequate helicopter and troop-carrying vessels, the Opposition spokesman on defence, Mr Peter White, said yesterday.

He called on the government to set up an immediate study on the need for a helicopter carrier, which could also carry heavy equipment and troops.

Mr White suggested converting an existing merchant ship to perform the role.

He said that if the RAN had needed to intervene during the crisis in Fiji it would have lacked the capacity to use helicopters effectively.

He also called for the reintroduction of the RAN's landing craft squadron.

"The government claims that our navy has a capacity in our area of direct military interest," Mr White said.

"This is a totally dishonest claim; we have no such capacity. Our destroyers and frigates cannot enter an area where there is hostile air power.

"We have no capacity to transport troops, helicopters or equipment in any meaningful quantity. Even if we did, we have no landing craft to get them ashore.

"We have no aerial refuelling capability or airborne early warning radar," Mr White said.

"We have become an impotent naval power in our own area."

9365

**ALP Caucus Left, Right Freeze Out Center**  
*42000075d Sydney THE SYDNEY MORNING HERALD in English 23 Sep 87 p 1*

[Article by Mike Steketee, political correspondent]

[Text] Canberra: The Hawke Government's carefully-managed internal stability has been threatened by an alliance between the Right and the Left which has frozen the center out of a series of party positions.

In a bitter debate at yesterday's Labor Caucus meeting, two leading figures in the Centre Left—the Minister for Employment, Education and Training, Mr. Dawkins, and the faction's convener, Senator Peter Cook—complained that the unity of the Government could no longer be guaranteed.

Both argued that the success of the Government since coming to office in 1983 had been founded on the cooperative working relationship between the factions. But this had now broken down, with a significant section of the Caucus feeling isolated.

Mr. Dawkins compared the present situation with that under the Whitlam Government when, he said that Caucus was in almost a continuous state of war with the Cabinet.

Many MPs said they resented what they regarded as an emotional overreaction by the Centre Left. The Minister for Aboriginal Affairs, Mr. Hand, attacked Senator Cook, saying that he should be prepared to "cop" losses as the Left had often done.

Mr. Tom Uren, the veteran left-wing MP, described the Centre Left as "the Mexican Army—all generals"—a reference to the fact that their vote tends to be less disciplined than that of the other factions.

The burning issue before the Caucus was not a fundamental question of policy but the division of spoils on parliamentary and Caucus committees.

The origins of the factional dispute lie in last year's ALP National Conference, when the Left and the Centre left combined to inflict a rare defeat on the Right over party rules changes.

The power brokers in the Right, who have notoriously long memories, vowed then to get even and they delivered the payback yesterday in a deal with the Left which carves up between them most of the positions chairing parliamentary and Caucus committees.

These jobs are often regarded as stepping stones to the Ministry, though the factions also use them as consolation prizes for those who have not made it to the front bench.

The parliamentary, but not the Caucus, positions involve extra pay, but the latter are generally seen as the more influential.

In ballots held yesterday for the chairmanship of 32 parliamentary committees, the Centre Left won only five positions. With the Right and the Center Left voting together, most of the Centre's candidates were defeated by votes of around 77-32.

The Right fared best, with one detailed estimate giving it 18 of the 37 most significant parliamentary and Caucus positions—50 percent—the Left 12 positions or 33 percent, and the Centre Left seven or 16 percent.

This compares with their respective representation on the back bench of 38 percent, 32 percent and 30 percent.

While the ballot on the Caucus positions has been postponed, few Caucus members expect the agreement between the Right and the Left to be changed.

This includes a decision to replace Mr. Bob Brown of the Centre left as Chairman of the Caucus Economic Committee with his right-wing colleague from NSW, Mr. Gary Punch.

Mr. Punch is one of the youngest members of the Parliament while Mr. Brown has held the position since 1980 and is the author of an economics textbook.

The Left retains control of another key Caucus committee, the Industry Committee, with Mr. Peter Baldwin (NSW) replacing Mr. Gerry Hand (Vic), who has become a Minister.

/9738

### **Weekly Lists Who Has Hawke's Ear**

42000075e Sydney *THE SYDNEY MORNING HERALD (GOOD WEEKEND supplement)* in English  
7 Nov 87 pp 28, 30, 33

[Boldface passages as printed]

[Text] Some time ago **Sir Peter Abeles**, chief executive of the TNT transport empire and self-made millionaire, phoned the Prime Minister's office in Parliament House while Bob Hawke was in a meeting. Hawke cleared his office to take the call. The incident was recalled much later as a pointed example of the strength of Abeles' personal clout with Hawke. According to insiders, Sir Peter Abeles is perhaps the only person outside politics with such instant and private access to the prime ministerial ear. How that access translates into influence, others can suspect—and do, of course. But only Bob Hawke really knows.

Nobody in the Hawke Government believes the Abeles influence is wholly benign, even if most are relying on educated guesses. Nor would anyone who has read Blanche d'Alpuget's remarkable 1982 biography of Hawke, disagree. Abeles is friend, confidant and father figure, and has been for 17 years. In turbulent times past, he has anguished over Hawke's boozing, nursed him, wept with him, counseled him on his family, gambled with him, been enraged by his excesses, pleaded with him to stay out of politics, and employed one of his daughters.

Their relationship is now one of the constants of the Hawke Government; in some ways its most contentious, if only within the Labor Party.

Of all the Prime Minister's so-called mates in big business, nobody comes close to Abeles' standing with Hawke in terms of trust, regard and affection. It's why Bob Hawke will interrupt a meeting when Sir Peter phones. Or why, when Hawke calls in one of his ministers to canvass a sensitive aviation policy issue, the minister is stunned to find Abeles present. Neither incident is usual, but both have happened.

Below Abeles you have old friends like **Saul Same**, head of Glo-Weave shirts, a businessman for whom Hawke has great affection and who is a key part of Hawke's network of friends in the Melbourne Jewish community. (He is also a prolific provider of shirts to senior Labor Party figures, but that is another story.) Same has Hawke's ear but largely ignores it. "Saul could get access

to Hawke whenever he wanted, but he wouldn't think of doing so," says a government source. "He would think it discourteous if not improper."

Abeles and Same have access to Hawke through long-standing personal friendship. Others gain it by individual or community status, or because of their political substance. The latter are fewer than you might think.

There is a vast difference between those who seek or postulate influence with Hawke and those who have it. In many ways Hawke is a very conventional head of government, in that most often he operates as Prime Minister through the established political and bureaucratic structures. Many have better luck approaching the relevant minister or working through some of the better connected lobbyists.

Unlike Malcolm Fraser, Hawke is not an interventionist. Nor is he a Whitlam-esque initiator of ideas or concepts. Hawke rarely interferes in his ministers' portfolios or circumvents the chain of command in the bureaucracy. In Cabinet most times, whatever the issue, Hawke will let others argue while he remains a sponge for all views before distilling a common thread most ministers can accept. Consensus with Hawke is a reality, not just a political slogan. Yet when he does interfere in a minister's specific area of responsibility, or when he pushes a hard or contrary line in Cabinet, the odds are that the circumstances will involve a policy matter affecting someone perceived as a "mate".

The messy Cabinet conflict last year over the government's contentious media policy is the best-known example. It took a year to resolve and Hawke was seen, in and out of Cabinet, as seemingly being concerned at least as much with the impact on the then-extensive television interests of **Kerry Packer** and **Rupert Murdoch** as with the government endorsing a viable policy. In the midst of the issue's resolution, **Peter Barron**, Hawke's senior staff political adviser at the time, went to work for Packer in Sydney. Hawke has since fulsomely acknowledged Packer as a friend.

Yet the Prime Minister's aggressive role in media policy is likely to have been motivated as much by political instincts as by any feeling of mateship. Very few political leaders go out of their way to damage or wantonly offend those few powerful individuals who own or control the mass media, specifically commercial television. Nor do they refuse to take their calls on the rare occasions they phone. Hawke is no exception. Kerry Packer and Rupert Murdoch have his ear when they seek it, no doubt. So does Murdoch's chief executive in Australia, **Ken Crowley**. To what extent he allows them to seduce it, either directly or through others, is another question. There is no unanimous answer among his colleagues.

The close relationship over the years of the NSW Government with both Packer and Murdoch and the influence some key NSW political figures have with Hawke may also explain the connection.

Those who have real influence with Hawke, and on whom he relies most, are people directly involved in the political process. They number less than a dozen and form his power base of advice and influence.

The group includes three of his Cabinet, and only three: Treasurer **Paul Keating**; South Australia's **Mick Young**, his Immigration Minister and Labor's national president; and the Victorian lawyer **Gareth Evans**, now Hawke's Minister for Communications and Transport as well as Senate Deputy Leader. These are the political heavies of the inner circle, together with Senators **Robert Ray** and **Graham Richardson**, both junior ministers. More importantly, in caucus Ray and Richardson are the movers and shakers of Hawke's Centre Unity faction in Victoria and NSW. Significantly, of the five, only Young is not a member of Hawke's own faction.

All five share two characteristics: intense ambition and relative political youth. And all of them like power. Richardson is the youngest at 38, Young the oldest at 51. As a group they are the most formidable bunch of political tough nuts ever likely to ambush an unwary opposition or an apathetic electorate.

In style and personality, Keating, with nine elections behind him at 43 years old, is the dominant individual, even if his personal relationship with Hawke is not as close as it used to be. His own prime ministerial ambitions have tended to take the gloss off their relationship. But Keating's political hold on Hawke's ear is undiminished. He is probably the only member of the government who simply barges into Hawke's office to see him. Even Richardson, who chauffeured Hawke around NSW during Gough Whitlam's winning 1972 campaign and became one of his earliest converts, respectfully waits in the ante-room outside the inner sanctum until summoned.

Also part of the inner circle are **Bob Sorby**, Hawke's staff political adviser who replaced Peter Barron, and **Michael Codd**, head of the Prime Minister's Department. Richardson recruited Sorby, a Sydney solicitor who once worked for the Whitlam Government and later for Keating in opposition. Sorby is aggressive and up-front, a personality similar to Keating's. Like Codd, he has earned Hawke's respect. Unlike Barron, despite his hard-nosed political instincts, Sorby does not generate anything like the same animosity among Hawke's colleagues. He treads as surely but more carefully.

The most unlikely member of the group is Michael Codd. A career bureaucrat, he was smiled on by the Fraser administration, but, under Labor in 1983, was shuffled out of his position as head of a key policy department, Industrial Relations, more on the basis of

suspicion than ability. Don Grimes didn't want him in Community Services after the '84 elections, but got him anyhow. Grimes later conceded he was an outstanding public servant. Codd's rehabilitation was complete when Hawke chose him to head up his department after the retirement of Sir Geoffrey Yeend. Codd is now much closer to Hawke, and more highly regarded, than his predecessor.

To these seven you can add two outsiders to complete the top rank: former NSW Premier **Neville Wran**, and **Bill Kelty**, secretary of the ACTU. Wran remains as close to Hawke as any political figure, the pre-eminent Labor politician of recent history. Hawke seeks his counsel frequently. Kelty, perhaps the outstanding talent in the union movement, has a personal bond with Hawke. Kelty was a Hawke protege and he wept when Hawke gave up the ACTU presidency to enter Federal politics. Like Abeles, he thought Hawke's caucus opponents would destroy him long before he could reach his holy grail of the leadership.

Outside this group, which includes the special position of Sir Peter Abeles, comes the second rank. It includes people such as ex-leader **Bill Hayden**, his Foreign Affairs Minister, and the Left's **Gerry Hand**, both of whom Hawke will consult essentially on factional issues. It also includes **Rod Cameron**, head of the ANOP research organisation and Labor's opinion pollster; **Bob McLellan**, the party's national secretary, who walks over to Parliament House to see Hawke every week; **Brian Burke**, the West Australian Labor Premier; **Steven Loosley**, general secretary of the NSW ALP branch and another Richardson protege; and **Richard Farmer**, an ex-journalist who makes his living selling cut-price wine and spirits in Canberra, but whose real job in life is politics. Hawke picks Farmer's political brain from time to time and employs his selling techniques at election time.

All of these have Hawke's ear, some more than others. Burke is closer to Hawke than any other of the Labor Premiers; Victoria's dour **John Cain** the most distant. Cain's government, like his leadership has no parallel with Hawke Labor; it doesn't really run on mateship, style or patronage. Cain and Hawke have little to share, including friendship.

Then there are those more remote from politics who have access through personal friendship. They number people such as **Ted Harris**, former head of Ampol and now Hawke's chairman of Australian Airlines, an old friend from Hawke's ACTU days and a regular tennis partner until Hawke became obsessed by golf; **Peter Redlich**, a Melbourne solicitor who was State ALP president in Victoria in the early '70s and whose firm, Holding, Redlich, handles all Hawke's legal matters; **Jim Leslie**, chairman of Qantas; and **Colin Hayes**, the celebrated trainer of racehorses, another of Hawke's sporting passions.

And, finally, there are the persona non grata—the people who couldn't get access to Hawke even if they came bearing a guarantee to a fourth term. **Bill Hartley**, Hawke's old political nemesis from Victoria, would be jostled for head of the queue by **Brian Toohey**, ex-editor of the former NATIONAL TIMES, a newspaper rarely accused of sucking up to the Prime Minister or his friends. **Barry Cohen**, recently displaced from Hawke's ministry by some factional thuggery, would run an honorable third.

Cohen committed the cardinal Labor sin: he refused to go out to grass quietly. In so doing he severely embarrassed Hawke by exposing his impotence to the political imperatives of his own factional. Mention of Cohen's name these days is supposedly banned in Hawke's hearing. Another, more intriguing prime ministerial non-person is said to be **Blanche d'Alpuget**. Why this might be so, nobody will say out loud, although Blanche did insist a year or so ago that Hawke had become a rather boring man since he'd reached The Lodge. The question titillates.

/9738

**Cooperation With PRC Discussed**

*42000106a Rangoon THE WORKING PEOPLE'S DAILY in English 14 Nov 87 p 1*

[Text] Rangoon, 13 Nov—A five-member delegation led by Mr Lu Xuejian, Deputy Minister for the Ministry of Foreign Economic Relations and Trade of the People's Republic of China, currently in Rangoon, paid a courtesy call on Thura U Tun Tin, Deputy Prime Minister and Minister for Planning & Finance, at the office of the council of Ministers at 10 am today.

Also present on the occasion were Deputy Ministers for Planning & Finance U Kyaw Myint and U Nyunt Maung and responsible personnel, Ambassador of the People's Republic of China to Burma Mr Chong Ruisheng and Embassy officials.

At 8.15 am today, Mr Lu Xuejian and members of his delegation paid a courtesy call on Minister for Construction Maj Gen Myint Lwin at the Construction Corporation head Office on Shwedagon Pagoda Road. Also present were Deputy Minister for Construction U Kyin Hlaing and responsible personnel.

The Chinese delegation also paid a courtesy call on Deputy Minister for Culture U Than Maung at the Ministry of Culture on Pansodan Street at 9.15 am, and officials from the Ministry of Culture and the departments under it were present on the occasion.

The Chinese delegation led by Mr Lu Xuejian visited the Ministry of Trade at 11 am and paid a courtesy call on Minister for Trade U Khin Maung Gyi. Also present were Deputy Minister for Trade Col Tin Gyi and U Yan Naung Soe and responsible personnel.

The delegation visited the Thuwunna National Indoor Stadium I at 1 pm and the Rangoon-Syriam Bridge construction work site at 2.50 pm, met Chinese and Burmese engineers and studied the extent of progress made in the construction work.

Later in the evening, Deputy Minister for Construction U Kyin Hlaing hosted a dinner in honour of Mr Lu Xuejian and members of his delegation at the Construction Corporation Head Office.

The delegation led by Mr Lu Xuejian arrived in Rangoon at 3.30 pm on 12 November for a visit at the invitation of the Ministry of Construction and will stay in Burma till 16 November. During its stay in Burma, the Chinese delegation will study the work which has been carried out under the economic, cultural and technical cooperation programme of Burma and the People's Republic of China and hold talks on the work being undertaken and the programmes of work to be carried out in future.

9365

**Accord With PRC Signed**

*42000106c Rangoon THE WORKING PEOPLE'S DAILY in English 17 Nov 87 p 1*

[Text] Rangoon, 16 Nov—Deputy Minister for Planning & Finance U Nyunt Maung and Deputy Minister for Foreign Economic Relations and Trade of the People's Republic of China Mr Lu Xuejian signed an agreement on economic and technical cooperation between the two countries at the Ministry of Planning & Finance meeting hall this morning.

The Agreement on economic and technical cooperation is meant for an interest-free loan of RMB Yuan 80 million (about K142.4 million) to be provided by the Government of the People's Republic of China to the Government of the Socialist Republic of the Union of Burma. The loan is to be used for supplementing the funds for the construction of Rangoon-Syriam-Railcum-Road Bridge.

Present on the occasion were Deputy Minister for Planning & Finance U Kyaw Myint, Deputy Minister for Foreign Affairs U Saw Hlaing, Deputy Minister for Construction U Kyin Hlaing, Deputy Minister for Health Dr Tun Hla Pru, Ambassador of the People's Republic of China to Burma Mr Cheng Ruisheng, officials of the Embassy of the People's Republic of China in Rangoon and officials of the departments concerned.

9365

**Financial Agreement Signed With Federal Republic of Germany**

*42000105a Rangoon THE WORKING PEOPLE'S DAILY in English 13 Nov 87 p 1*

[Text] Rangoon, 12 Nov—An agreement concerning Financial Cooperation between the Government of the Socialist Republic of the Union of Burma and the Government of the Federal Republic of Germany was signed today by Deputy Minister for Planning & Finance U Nyunt Maung on behalf of the Government of the Socialist Republic of the Union of Burma and by Ambassador of the Federal Republic of Germany to Burma Dr Baron Walther Freiherr von Marschall and Dr Willi Ehmann, Director-General, Federal Ministry of Economic Cooperation on behalf of the Government of the Federal Republic of Germany, in the meeting room of the Ministry of Planning & Finance.

The total amount of loan for 1987 is DM 50 million and out of this loan, DM 15 million has been provided by an Exchange of Notes signed on 17 July 1987 between the representatives of the two governments for the procurement of industrial raw materials and spare parts.

The government signed today provides an assistance amounting to DM 35 million (about K127 million) and this assistance will be utilized for financing the requirements in the ongoing undertakings in the energy, industry and agriculture sectors.

A Record of Discussions concerning Burma-German financial cooperation was also signed today. In accordance with the Record of Discussions, DM 17 million as technical assistance in the form of grant for the year 1987 will be provided in addition to the above assistance of DM 35 million.

Present at the signing ceremony were Deputy Minister for Planning & Finance U Kyaw Myint, Deputy Minister for Foreign Affairs U Saw Hlaing, Deputy Minister for Energy U Than Nyunt, Deputy Minister for Industry 2 U Oo Saw Hla and responsible personnel.

9365

**Rail Service Modernization Project Phase 1**  
*42000099a Rangoon FORWARD in English*  
*I Nov 87 p 29*

[Text] Transport and Communication Sector is a vital service for the economic and social development of a country. Inasmuch as the transport and communication sector develops will the country's development enhance. Convenient transportation links within the country will facilitate the production and timely distribution of various commodities as well as the daily traffic of passengers. In addition, good transportation links will offer easy reach of the towns and cities throughout the country.

Especially in Burma, where various indigenous races are residing elsewhere in its States and Divisions, such accessibilities from Burma Proper would promote the mutual understanding and fraternity among these indigenous races in the whole country. The good transportation network in the country could, therefore, implicitly provide the strengthened relationship between her national groups. In other words, transport and communication sector is the artery of the country's development and her national solidarity.

The Burma Railways Corporation of the Ministry of Transport and Communications is now implementing the Rail Service Modernization Project Phase I.

The project consists of importing and building new locomotives and coaches required in the rail service.

With respect to this programme a total of 20 passenger-coaches of four classes at 5 coaches for each class will be imported for sampling while 51 coaches will be built in the country, thus manufacturing a total of 71 passenger-coaches.

Among the four classes of cargo-coaches a total of 25 coaches comprising 10 coaches of tank-type class and 5 coaches of the rest three classes will be imported for sampling while 75 coaches will be built in the country.

The programme also consists of installing the machinery and its spare parts imported from abroad.

And, to gain technical skills among the Burmese technicians in building coaches through cooperation of foreign experts.

The imported cargo-coaches and passenger-coaches arrived in Rangoon in April and July 1986 respectively.

The installation of machines in the workshop was started in September the same year and was completed in February, 1987.

Cargo-coaches and passenger-coaches were built in January, 1987 and the first batch of four cargo-coaches was completed in April. Up to July, 1987 a total of 25 cargo-coaches had been built.

Passenger-coaches were started building in February, 1987 and the first batch of three passenger-coaches was completed. The completion ceremony was held in Myitnge.

A team of Shetho and Television members led by Captain Maung Maung, manager of the information department from the Burma Railways Corporation went to Myitnge via Mandalay to attend the ceremony.

Myitnge is situated in Amarapura Township on the west of Rangoon-Mandalay Highway. The majority of the townspeople are workers from the Burma Railways Corporation. There is a coach structure shop that covers an area of 80.5 acres.

The main workshop measures 770 feet in length and 220 feet in breadth. In front of the workshop is a 374 feet long and 80 feet wide painting shop. On the north of the workshop is a 75 feet long and 60 feet wide iron-oxide cleaning shop. For easy shifting of the coaches 490 feet long and 66 feet wide rail-shifting devices were installed between the workshop and the iron-oxide cleaning shop.

The ceremony marking the completion of the first three passenger-coaches was held on 14 August, 1987. On both sides of the road from the gate of the compound to the structure shop were lined the masts on which colourful flags were flying in the morning breeze.

The newly-built coaches were painted in pink at their upper parts and in brown at their lower parts. Workers were also seen in uniforms at their works in the main workshop, such as cutting, folding, rolling, cleaning and welding the steel plates. The workshop has a work force of 806 workers.

The ceremony was started on 9 am. First of all, the Deputy Minister U Tin Maung of the Ministry of Transport and Communications delivered an address. Next, the Korean Ambassador of Burma, the Managing Director of the Burma Railways Corporation Col. Win Sein and the Managing Director of Daewoo Heavy Industries Limited from the Republic of Korea gave speeches respectively. Later, the Deputy Minister U Tin Maung cut the ribbon and the invited guests viewed the newly-built coaches and the coach structure works.

It was known that these coaches were built by applying modern techniques in which welding methods were used. They were built in cooperation with skilled engineers of the Daewoo Corporation from the Republic of Korea.

Thus, the Burmese engineers and workers have gained a lot of technical knowledge in building coaches. Inasmuch as the coaches could be built in the country it could save a lot of foreign exchange expense. It could also save time because repairing and building the coaches could be conducted at the same place. The Burma Railways Corporation has set up a target of manufacturing 60 passenger-coaches and 120 cargo-coaches per year.

This project is a step forward to help enhance the transport and communication sector of the country.

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**Shelter Problem for Urban Dwellers**  
42000093 Kuala Lumpur BUSINESS TIMES in English 4 Nov 87 p 7

[Article by Philip Gorton in Rangoon: "Housing for Burma's City Dwellers Hits Major Snags"]

[Text] Government efforts to provide adequate shelter for urban dwellers in Burma have met with major snags, according to sources familiar with planning and implementation.

Abject poverty has been nearly eliminated in Rangoon proper, but some observers note that low-income families are forced to live in slums far from the core city. The Government does not provide shelter statistics to the press.

Rangoon and Mandalay, Burma's two largest cities, have seen population increases of 50 per cent over the past five years. Families have been moving in to take advantage of education facilities. In addition, peasants in the northern countryside have been flocking to cities for security reasons, said one source.

City planners have extensive plans for "satellite villages" outside of downtown Rangoon, but the city has been slow to act. "The average Burmese cannot afford running water or electricity in Rangoon," say residents.

Rangoon, a sprawling city with parks, pagodas and golf courses, has an usual housing environment. Huge teak mansions and brick Victorian homes line the wide thoroughfares of some districts.

But just a stone's throw away, chickens, pigs and people mix in near-rural settings. For these city dwellers water is often taken from communal wells. Likewise, the lack of electricity does not seem to be nuisance, as activity simply dies down when the sun sets.

But, while large families in these districts inhabit a single thatched hut, private businessmen and high-ranking government officials occupy the old British colonial homes.

**Costly**

Mid-level government officials often take advantage of the only Government-built housing units in the city. Elsewhere, crowded apartments in the core city are often run-down and have no water above the first floor.

To obtain downtown housing, residents must wait months for rentable space. The Government then acts as a landlord, accepting monthly payments.

A more popular housing arrangement can be found in burgeoning "satellite towns", the most recent brainchild of city planners. Citizens are given plots of land 40 by 60 feet. Residents then build their own houses from whatever material they see fit. The Government does not subsidise the construction, but helps with communal facilities. Most homes are built with traditional and indigenous resources.

Satellite villages are less clustered than traditional Burmese villages, which are set together, surrounded by rice fields. Sources familiar with the planning process for the satellites, said the venture has had varied success with their ideas.

Like other major Asian countries the Government has found that urban housing construction is often costly and ineffective. While the Government still builds some units, the only major construction in Rangoon at present is for large modern homes.

Rangoon, while lacking in adequate housing per se, has not been devastated by overcrowding and lack of space as some other Asian cities, notably Hong Kong and Bangkok. Set on gradual inclines and rolling hills, the city has room for expansion.

Livestock is more common among slum-dwellers in Rangoon than in some other major South-East Asian metropolises. Huge pigs often forage alongside long wooden tenement buildings.

Westerners or tourists wishing to get a closer look at these living arrangements are quickly apprehended by government officials who discourage it.

Closer into the core city the housing is made of brick and stone, though it is more than often, run-down and dilapidated. While other major Asian cities have discovered that "upgrading" is easier than building new homes, Burmese planners seem to prefer the look of ages.

What little fully equipped apartments available are highly sought after by city residents.

Sources familiar with the planning processes of the city, said that legislative red tape has delayed most action in public housing. In 1986 there was massive fire in one of the self-contained villages in the city core. Homes made of local resources burnt to the ground.

### Red Tape

That same year, the Government made a decision to resettle the 3,500 residents on the opposite bank of the Irrawaddy River. Construction on the new units has not yet begun and the fire victims are still living with friends and relatives as they await government action. Some victims live in makeshift lean-tos, according to one source.

"The Government is looking into the housing situation here slowly, but slowly," the source added. He estimated that about 20 per cent of Rangoon's population had "very inadequate" housing, a percentage not much higher than Bangkok's—a city of twice the size.

Tramps and beggars wander the streets of Rangoon, but the degree of poverty does not appear to be much worse than in other South-East Asian cities.

"Many of these people have no family responsibilities," said a source. The would-be tenants spend their rent money on such frivolities as drink and drugs. In addition, many of the beggars have homes of their own, the source added.

Most government housing in the city is paid for by monthly rental payments, with a lump sum move-in fee. Satellite villages, though, have been set up with one-time payments.

Government housing accounts for a large majority of downtown living in Rangoon. The Government bought up most of the apartments during nationalisation efforts from 1950 to 1970.

A United Nations planning project due for implementation this year has been put on hold due to some communication difficulties between the Government and international workers. The first phase of the project studied possibilities for low-cost housing, sanitation and building materials. The project will focus on problems in the inner city.—Depthnews

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### Agriculture Sector Said Still Mainstay of Economy

42000105b Rangoon THE WORKING PEOPLE'S DAILY in English 14 Nov 87 p 4

[Text] In addressing the 24th Session of the FAO Conference in Rome, Minister for Agriculture & Forests U Than Nyunt, leader of the Burmese delegation presented a brief account of the development in agriculture, livestock and fishery and forestry sectors.

The Minister said that as the agriculture sector is and will continue to be the mainstay of the country's economy, it is usually accorded highest priority in the national economic development plans. He said that net sown area at present was around 21 million acres, with the potential of 25 million acres for further expansion. He added that the acreage put under various crops in 1986-87 amounted to 25.69 million acres, including 4.78 million acres of multiple and mixed cropping, surpassing the 1985-86 total sown acreage by 30,000 acres. The Minister made known that the value of net output in 1986-87 increased at 2.5 percent and it was planned to increase by 5.4 percent during the current fiscal year.

Regarding livestock and fishery sector, the Minister for Agriculture & Forests revealed that the value of net output in real terms rose by 4.2 percent in 1986-87 over the preceding year and the planned target for the current fiscal year was 5.8 percent.

The Minister added that the value of net output of the forestry sector increased by 5.6 percent in 1986-87 as compared with that of 1985-86. He continued that the development strategy of managing the natural forest resources on sustained yield basis was adopted with a view to satisfying the conflicting demands of increased extraction of forest products for export and local use on one hand, and conservation of forests for environmental reasons on the other.

Many developing countries are heavily dependent on foreign exchange earnings from agricultural commodity exports and continuing to face with a declining share of world agricultural trade. They are also adversely affected by worsening terms of trade, falling commodity prices and increasing trend toward protectionism. All these factors hamper their prospects for growth and aggravate the indebtedness.

Being a developing country Burma is no exception. Burma thus recognizes the need for diversification and maximization of the agricultural corps. It is now required that production of crops other than paddy should be expanded to avoid the uncertainty of relying too heavily on rice exports. To get the crop diversification and maximization programmes implemented, we need to make greater efforts to get increased supplies of critical inputs and conduct more intensive research work.

9365

**Measures for Collecting Land Revenues in Crops**  
*42000106b Rangoon THE WORKING PEOPLE'S DAILY in English 15 Nov 87 p 8*

[Text] Pa-an, 14 Nov—Measures for collecting land revenues in crops and matters relating to registration of wholesale business in Karen State were discussed at a meeting held at the Karen State People's Council here on 11 November.

The meeting was attended by Karen State People's Council Chairman U Saw Aung Pwint, Party Regional Committee members, Karen State Judges Committee Chairman U Sein Win, Karen State Inspectorate member U Maung Than, Karen State People's Council Executive Committee members, Trade Department Director General U Tin Aung Tun and Director U Toe Kyi, Agricultural and Farm Produce Trade Corporation Managing Director U Ohn Khin and Township Party and Council functionaries, among others. The director-general of the Trade Department explained measures for collecting land revenues in corps, registration of wholesale business, objectives of the law and rules and their essence. Next, the Agricultural and Farm Produce Trade Corporation managing director explained the work concerning collection of land revenues in crops.

The Trade Department director replied to the points raised by the personnel concerned.

9365

**Insurgent Groups Surrender**  
*42000099b Rangoon THE WORKING PEOPLE'S DAILY in English 7 Nov 87 p 5*

[Text] Rangoon, 6 Nov—Realizing their past mistakes, more members of insurgent groups gave themselves up to various Tatmadaw camps together with assorted arms and ammunition between October 3 and 14, 1987.

In the Eastern Command area, private Hkun Aung Moe from the Pa-O insurgent (White) group surrendered at Konehkan camp together with two rifles; section leaders Saya Nge and Saya Kyawt at Nammawhoe camp together with one .38 revolver and two carbines; private Sai Ku from the SSA insurgent group's battalion 120 at the Mangpan camp; private Sein Kar from the battalion

1016 at the Mongnai camp together with one M-16 automatic rifle; private Sai Hla Sein from the BCP battalion 082 at the Loilem camp together with one M-22 automatic rifle and one rifle; and private Saw He Hsay from the Karen insurgents' group's column 1 at the Mawchi camp together with one rifle.

In the South-East Command area, private Maung Maung from the KNU insurgent group's defence battalion 6 surrendered at the Ahnkaye camp together with one AK-47 automatic rifle; private Tin Hla from the brigade 7 at the Point 2524 camp; private Saw Htoo from the tribute-collection group at the Duyinzeik camp; private Arhsan from the battalion 10 at the Sateinohtaw camp together with one .22 gun; and private Hla Myint Aung from the Rakhine insurgent group at the Maihtawgalay camp.

In the Northern Command area, private Wahdham Phone and corporal Hounglwan from the KIA insurgent group's battalion 11 surrendered at the Myitkyina camp; lance corporal Ma-u Dija from the battalion 13 at the Mogaung camp; lance corporal Jah Pari from the battalion 6 at the Kamaing camp; private Maw Yaw from the BCP's Monhaung township unit at the Kutkai camp; private Lu Kyone from the battalion 3033 at the Kyuhkok (Pangsai) camp; and private Hsan Hkam from the SSA insurgent group's tactical 718 at the Mongyai camp together with one carbine.

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**Report on Karen Insurgents**  
*42000074 Bangkok BANGKOK POST in English 8 Nov 87 p 2*

[Text] Pa-An, Burma (Reuter)—Burmese troops are poised to crush one of the most stubborn of the country's many insurgencies, the 38-year-old ethnic Karen revolt, officials have said.

"The KNU (Karen National Union) insurgents will be totally annihilated within two years," National Intelligence Service chief Khin Nyunt said in a rare briefing to reporters in Pa-An, capital of Karen state 270 km east of Rangoon.

He said on Thursday that a two-year army campaign and economic pressure had whittled away the strength of the KNU, rated by foreign analysts as among the world's best jungle fighters, and split its leadership.

The Karen are one of a dozen ethnic groups seeking autonomy from the ruling Burmans, who are related to Tibetans and form the majority of the country's 38 million people.

Kachins, Shans, Mon, Arakanese are among the other groups waging guerrilla war against Rangoon.

The well-organized KNU runs schools and social services as well as its guerrilla force in areas bordering Thailand.

Nyunt, speaking on a trip organized by the government for reporters and foreign military attaches, said the army has crippled the KNU's finances by clamping down on smuggling to and from Thailand.

The KNU taxes illegal exports of Burmese teak, gems, drugs and jade.

Local officials ridiculed KNU claims to speak for the 2.6 million Karens scattered through this state and central Burma.

"There are only about 2,600 KNU fighters or their followers in Karen state, a tenth of one percent of the Karen population," centrally-appointed Karen state leader Saw Aung Bwint said.

The intelligence chief said that after two years of fighting the army had wiped out all but five KNU smugglers' bazaars and tax posts.

Bangkok-based diplomats and Thai merchants confirm that a sustained army drive has cut Karen cross-border trade to about a fifth of its previous volume.

More goods are being smuggled into Burma from China to the north to supply the country's black market, which caters for most daily needs.

Nyunt said there was a split in the KNU, headed from Mana Palaw near the Thai border by Bo Mya, a teetotal Adventist Christian who wears pearl-handled pistols on his waist.

Any army officer said 30,000 troops were deployed against the KNU and added: Their tactics included "scorched earth" drives.

Foreign diplomats said victory over the rebel groups looks unlikely as Rangoon has neither enough troops nor enough money to crush guerrillas operating in remote and often mountainous terrain.

/9738

**Public Service Commission Queries Australian Aid Deal**

42000099a Suva *THE FIJI TIMES* in English  
11 Nov 87 p 1

[Text] The Public Service Commission is unhappy about an arrangement the Foreign Affairs Department has made for Australian aid doctors to continue working in Fiji.

It says it must have a say in any discussions on recruitment into the civil service.

PSC's secretary, Mr Poseci Bune, told "The Fiji Times" yesterday the PSC was still exploring other options for filling in vacancies created by the withdrawal of Australian and New Zealand government-aided officers.

After the official withdrawal, a proposal by Australian Foreign Affairs Minister, Mr Bill Hayden, to continue funding Australian-aided doctors through a non-governmental organisation was accepted by his counterpart, Mr Filipe Bole last week.

This would eliminate any dealings at a government-to-government level and not raise the question of Australia recognising Fiji's military government.

"The PSC and the Ministry of Health would need to sit down together with the donor country to discuss the scheme," Mr Bune said.

"As far as we are concerned, we expect some say in the final deal," he said.

"For our part, we prefer to deal on a direct government-to-government basis."

He said as far as he knew nothing had been finalised and talks were only in the initial stages.

"Until we have explored other options—and are satisfied—we do not want to commit ourselves to any scheme."

Asked if he was in a position to override Mr Bole's decision, Mr Bune said: "I don't want to appear to be confronting the minister, but we are the recruiting authority."

The Department of Foreign Affairs was concerned and was trying to help out by taking into account what other governments had to offer.

"But we are merely taking note and considering these options."

He said a Chinese mission was expected in Fiji later this month or early December to look into the possibilities of sending its doctors here.

"The situation, although serious, is not at a critical stage yet."

The PSC could also recruit Filipino doctors as it had done in the past, Mr Bune said.

"Failing those, we could consider this (Australian) arrangement," he said.

/06662

**JAL Pullout Hits NMA Export Market Hunt**

42000082b Suva *FIJI SUN* in English 24 Sep 87 p 15

[Text] Efforts by the National Marketing Authority to export high quality vegetables, fruits and marine produce have been constrained by the devaluation of the Fijian dollar, although there has been great market potentials.

NMA buys these from selected farmers and fishermen who have been especially trained and have proven to produce high quality products.

To maintain the freshness of these produce, NMA's processing and packaging have been designed to ensure that the quality is not lost before it reaches the buyers.

Special packaging materials have been continually developed for each produce.

Proper cooling facilities and transport systems further ensure that the produce exported by the NMA are of the highest possible quality.

Market potentials are enormous but these cannot be fully exploited because of the lack of air cargo space.

The decision by Japan Air Lines to discontinue its flights has had a traumatic impact on NMA marketing activities because Japan is the only major market for Fiji pawpaws and mangoes.

But the decision by Air New Zealand to re-continue its flights between Fiji and New Zealand is a great relief.

So is the news that Air Pacific will be flying into New Zealand every Wednesday, starting from October 28.

/9738

**Indonesia Offers To Buy Sugar, Sell Oil**

42000083c Suva *THE FIJI TIMES* in English  
6 Nov 87 p 3

[Article by Mesake Koroi]

[Text] Indonesia has offered to buy 100,000 tonnes of Fiji sugar in exchange for its oil.

The offer came during discussions between government Ministers and an Indonesian trade delegation in Suva this week.

The managing director of the Fiji Sugar Marketing Company, Mr John May, said the offer had been discussed, but details had yet to be worked out.

"It's the first positive offer the government has received from anyone. We are excited about it," the Foreign Affairs Minister, Mr Filipe Bole, said yesterday.

The Indonesians are in Fiji, following talks the former Prime Minister, Ratu Sir Klamisese Mara, had in Indonesia in July this year.

Ratu Siur Kamisese had gone to Indonesia looking for markets after Australia and New Zealand trade unions refused to handle Fiji cargo after the May 14 coup.

The head of the Indonesian delegation, Mr Hashim Djojohadikusumo, confirmed to THE FIJI TIMES that Indonesia was looking at the possibility of buying raw Fiji sugar.

"We grow and make our own sugar, but it is not enough to meet our needs," he said.

"At the moment we are going through a very bad drought period and the need to buy sugar from outside sources is greater."

Mr Djojohadikusumo said Indonesia would be glad to buy sugar from Fiji in exchange for oil and other products.

During discussions with the military government, the delegation offered to sell refined fuel oil at a much cheaper price than what Australia is offering.

Australia buys crude oil from Indonesia, refines it in Singapore and sells its products to Fiji.

The Indonesians have also offered to sell Fiji 25,000 tonnes of rice. This will be on credit.

The rice deal is expected to be a long-term arrangement.

The rice deal would establish a base commodity to justify the setting up of a direct shipping link between Indonesia and Fiji, Mr Djojohadikusumo said.

The Indonesians have asked that their national airline, Geruda Indonesia, be given landing rights to Fiji.

"Now that Japan Airline has pulled out of Fiji, we are prepared to fill the gap and fly in Japanese tourists and carry your cargo to Japan," Mr Djojohadikusumo said.

"It is also no secret that my country has offered to train your soldiers and we will be glad to do this," he said.

"But at the moment there has been no formal approach for such training," he said.

Mr Bole said the Indonesian visit was part of the government's foreign policy initiative.

"We have had fruitful discussions with the delegation and we are certainly happy with the outcome of the talks," he said.

/9738

#### Deal May Change Pattern of Trade

42000084a Suva THE FIJI TIMES in English  
9 Nov 87 p 9

[Article by Mesake Koroi: "Deal May Change Pattern of Trade"]

[Text] Fiji and Indonesia have agreed on a wide-ranging trade development agreement that is likely to see a shift in Fiji trade away from Australia and New Zealand.

Agreement was reached on Friday after week-long discussions between an eight-men Indonesian trade delegation and Fiji Government officials.

Under the accord, Indonesia has agreed to buy sugar, molasses, canned fish and timber products from Fiji.

In return, Fiji will now make a formal request to the Indonesian Government for the official offer of a loan of 25,000 tonnes of rice.

Fiji will also buy petroleum products, general food stuff including maize, cooking oil, tea, and spare parts for the sugar industry.

"These agreements will represent the beginning of the commercial/trade relationships between our two countries; a relationship which I hope will expand in the future in other dimensions," Foreign Minister Mr Fillipe Bole said after signing the accord.

A joint communique issued by the two sides said Fiji would consider the purchase of Indonesian-made aircraft and vessels.

Both parties will shortly commence discussions on the technical specifications and requirements.

Agreement in principle was also reached to conduct a joint study as a basis to establish a bilateral air agreement for commercial air services into and out of Fiji by respective national airlines.

The establishment of a direct regular shipping service between Fiji and South-East Asia and Fiji is being arranged.

The new Fiji republican government has said it would look for new markets in South East Asia following the cooling of relations with Australia and New Zealand, its traditional trading partners.

Both Mr Bole and the head of the Indonesian delegation, Mr Hasim Djojohadikusumo said the Indonesian mission represented business companies, but was sanctioned by the Jakarta government.

Mr Djojohadikusumo has been appointed Fiji's first Honorary Consul in Indonesia.

Mr Djojohadikusumo is the president of PF, Prima Comexindo Trading, a company which controls most, if not all, of Indonesia's import and export trade.

Announcing the appointment, Mr Bole said he was extremely pleased about it.

/9604

#### **Minister Announces 'Sweeping Changes' to Land Policy**

42000120c Suva *THE FIJI TIMES* in English  
18 Nov 87 p 1

[Text] The Minister for Lands, Mr Sakeasi Butadroka, last night spoke of making sweeping changes to land policies.

All Crown land will now become Native land.

Any freehold land offered for sale must have Ministerial sanction to ensure that the first option to buy is given to the original landowners.

Last night, Mr Butadroka and officers of the Crown Law Office were putting the final touches to a decree proclaiming the new policies. It is expected to be out on Friday.

Under the new policy, Vanua Land Councils would be formed in different provinces to determine the boundaries and ownership of Crown land.

Their report would be submitted to a committee of seven within the Ministry for Lands for approval.

The committee will be chaired by the Minister for Lands.

Once the original owners were determined, the land would revert to the Native Land Trust Board for administration.

On freehold land, Mr Butadroka said that any future sale would require his approval, with the needs of the original owners to be considered first.

"All we are doing is change the administration system of these lands," Mr Butadroka said.

"The only change (on Crown land) really is that instead of the rent money going to the government, it will now go to the landowners," he said.

Mr Butadroka said a special fund would be established by the government to help original landowners buy freehold land.

"How this is going to be set up will be worked out later. All we are doing now is to construct the major structure of land system," he said.

Mr Butadroka said all freehold land in Fiji was safe.

"They have my personal guarantee that ownership of freehold land is safe. It's only when they want to sell, that's where we come in," he said.

Similarly, he said, tenants on Crown land had nothing to fear.

"Security of all Crown leases is safe, whether it's agricultural or residential leases," the Minister said.

Mr Butadroka rejected suggestions that the new land policies would scare away investors.

"They have nothing to worry about. Their investments are safe. Their lands are safe as well. All we are doing is to give the lease money to the Fijian owners instead of the government," Mr Butadroka said.

"The Fijians have been deprived of what's theirs for a long time. We are now giving it to them," he said.

/06662

#### **Constitution Termed Inadequate To Meet Needs**

42000099e Suva *THE FIJI TIMES* in English  
12 Nov 87 p 16

[Text] London—Fiji's crisis was provoked by inadequacies in the Pacific island's British-style constitution, an international research organisation said yesterday.

The London-based Minority Rights Group said in a report that Fiji's Westminster system of government was not geared to accommodate power-sharing or to protect minorities.

Colonel Sitiveni Rabuka seized power in the former British colony after military coups in May and September to try to guarantee indigenous Fijians' political domination over the ethnic Indians who slightly outnumber them in the 714,000 population.

But the report argued contrary to the general view, racial tension was not the prime cause of the conflict.

"In reality, the two groups were not isolated and inter-racial cooperation was on the increase shortly after independence (1970).

"By the mid-1970s, many of the previously clear occupational boundaries—Fijians as administrators and landowners and Indians as shopkeepers and farmers—were eroding."

But the constitution, modelled on the former colonial power's system of giving all legislative and executive power to the party winning the majority of seats in an election, did not reflect that development, the report said.

The defeat of the Fijian-dominated Alliance Party in last April's General Elections therefore struck traditional Fijian leaders as a shattering experience, setting off fears they felt could only be assuaged by the forcible and illegal capture of power, the 15-page report said.

"In the hands of a few, a political conflict was exploited into a race issue as an instrument to maintain the traditional domination of the Fijian rulers."

Constitutional reform and preservation of democracy with a power-sharing formula were still possible, the four authors of the report said.

They urged international bodies such as the United Nations, the Commonwealth and the European Community to press for a negotiated settlement.

/06662

**Few Constitution Changes Proposed**  
42000120b Suva THE FIJI TIMES in English  
17 Nov 87 p 3

[Article by Mesake Koroi]

[Text] A proposed constitutions for the country will have very few changes apart from giving Fijians a guaranteed majority in Parliament, according to the Minister for Foreign Affairs, Mr Filipe Bole.

In an interview with "The Fiji Times" yesterday before he left on a visit to Australia, New Zealand, Papua New Guinea and South East Asia, Mr Bole said the changes to be implemented in the composition of Parliament were along the lines of the majority report of the Constitutional Review Committee.

Indians would retain their 22 seats, and general electors their eight seats while Fijians would have 36 seats with a proviso that the president and prime minister would always be Fijians, Mr Bole said.

He said the proposal also did away with the cross-voting system and opted for communal voting.

This meant that each community would only vote for its own members in Parliament and not for other races on a national roll as in the past.

Mr Bole said the constitution would be examined by two international constitutional lawyers who would arrive in the country soon.

The changes would also be put to the public for comment and criticism and be examined by the Fiji Law Society, he said.

Mr Bole said the draft was being put into legal language by lawyers.

Apart from the changes to the composition of Parliament and the system of elections, there would be very little change to other parts of the 1970 Constitution.

In Sydney on Sunday, the Minister for Tourism and Energy, Mr David Pickering told reporters the newly-declared Republic of Fiji will prove the world wrong when a president and prime minister were appointed in the next two weeks.

"I think the world will have been proved wrong when that happens—Fiji will have resolve the political situation for themselves," Mr Pickering said.

Mr Pickering is the first member of Brigadier Sitiveni Rabuka's government to visit Australia since its installation after the two military coups.

Brigadier Rabuka last week said the president and prime minister would guide Fiji to a general election expected about October next year.

Mr Pickering said the outcry about loss of democracy in Fiji was out of proportion and he believed countries such as Australia would soon realise Fijians were happy.

"Fijian dominance will be assured in Parliament. That is what the Brigadier has promised and that is what the Fijians want."

The country's membership of the Commonwealth has "lapsed" but it would not be too long before they "reapplied and I would think we would get an acceptable response".

/06662

**'Revived' Original Chamber of Commerce Challenges New Body**  
42000120d Suva THE FIJI TIMES in English  
18 Nov 87 p 3

[Text] The newly-formed Fijian Chamber of Commerce has a rival.

The original Fijian Chamber of Commerce, which has been dormant since 1967, has now been revived.

"We have nothing to do with the new organisation," its president, Mr Viliame Savu, said yesterday.

"Our organisation was forced to abandon its operations because of government pressure at the time.

"Now that the government is more responsive towards the business needs of the Fijians, we have decided to revive the chamber," Mr Savu said.

Mr Savu and a group of Fijian businessmen formed the FCC in 1967 and went on a nationwide share drive.

They collected thousands of dollars with the idea of setting up Fijian-owned businesses.

But it was forced to close down after the government started a full-scale investigation into its operations.

"Although the chamber had been dormant all these years, it has never really been written off," Mr Savu said.

"All our branches have now been revived and we are looking forward to our first meeting in January."

Mr Savu claimed that the chamber had a registered membership of 37,000.

He dismissed suggestions that the new Chamber of Commerce would be a threat.

"We have nothing to do with them and I hope they have nothing to do with us too," Mr Savu said.

The new group headed by former Attorney-General Mr Qoriniasi Bale, was formed last week.

An interim committee has been formed to draw up its constitution and prepare discussion papers on all aspects of Fijian business participation for its next meeting.

The new FCC has a membership of 120.

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#### **Immigration Department 'Flooded' With Passport Requests**

42000099d Suva *THE FIJI TIMES* in English  
11 Nov 87 p 16

[Text] People will have to wait up to four months for passports because the Immigration Department is flooded with applications.

The Principal Immigration Officer, Mr Akapusi Qera, said yesterday his department was receiving an average of 200 applications daily from people wanting passports or trying to renew old ones.

He said because of the large number of applications people faced a long wait.

People had to form a queue at the immigration offices at Suva, Lautoka and Nadi.

The queue begins to form as early as 7.30am, according to immigration officials.

Mr Qera said his staff was flooded with applications from many who did not have any immediate plans to travel abroad.

I don't know why people are rushing for passports or what is causing the panic, he said.

He said the Immigration Department had enough passports in stock to meet the demand.

It has not received any instructions about changing the passports because the country has become a republic.

Mr Qera said his department was coping well with the large number of applications.

/06662

#### **Tax Free Zones Go-Ahead**

42000121c Suva *THE FIJI TIMES* in English  
20 Nov 87 p 1

[Article by Mesake Koroi]

[Text] Free Trade Zones will be established in industrial areas throughout the country in a bid to attract investment quickly into Fiji, the Minister for Economic Planning Trade and Industries announced yesterday.

Alternatively, the government is looking at designating areas and factories as free trade zones.

"We will refer to a collection of factories in a specific location as a tax-free zone while individual factories enjoying the same preferential conditions would be tax-free factories," Minister Isimeli Bose said in Suva.

These tax-free zones and tax-free factories will be established under the following conditions:

—The factory or zone will be under strict excise control.

—The factory must produce 95 per cent exclusively for export. Domestic sales will be subject to excise equal to the import tariff.

—The FTF may import anything duty-free including building materials for the factory.

—Such companies will enjoy a generous extension of the present tax-free status and will be free from all statutory fiscal obligation other than those specifically required as part of the investment agreement.

—All the output of the designated areas or factories will not be subject to any fiscal levies.

—Export licenses will be granted on condition that government quality control measures are met.

—Unions will be illegal in the zones or factories. Wage rates will be determined by the prevailing market conditions.

—Employee rights and privileges, particularly with regards to safety and health issues, will be the sole responsibility of the Labour Department.

—It will be illegal to constrain the activities of the factories or zones with any industrial action within the designated areas or external to the areas.

—Electricity and energy costs will be provided at preferential and competitive rates.

—The tax-free zone status, concessions and privilege can be enjoyed by existing industries.

“The exact nature and terms of the tax free zone will be announced shortly when it becomes law,” Mr Bose said.

With the shortfall in foreign capital inflow and the decline in investment levels, the government must take a more aggressive approach in promoting Fiji for investment.

“We believe that investors can be lured into Fiji if an attractive package of incentives is offered to them.”

“Foreign investors will be able to provide technological expertise and knowledge of export markets,” he said.

/06662

**Government Reshuffles Top Civil Service Posts**  
42000083a Suva THE FIJI TIMES in English  
6 Nov 87 p 2

[Text] The military government has announced a reshuffling of senior Civil Service appointments.

Former Roving Ambassador, Dr Jona Senilagakali is Permanent Secretary for Foreign Affairs and Civil Aviation. He replaces Dr James Maraj.

The new Permanent Secretary for Economic Development, Planning, Trade and Industry is Mr Navitalai Naisoro, who was the chief financial analyst with the Ministry of Finance. He replaces Mr John Samy, who resigned to accept an appointment with the Asian Development Bank in Manila.

The Assistant Director of health (Health Planning), Dr Filimone Wainiqolo, is to act as Permanent Secretary for Health.

The new Permanent Secretary for Lands and Mineral Resources is Mr Jai Gautam, who was Permanent Secretary for Housing and Urban Affairs. He replaces Mr Bhuvan Dutt who is now the Permanent Secretary for Indian Affairs.

The Director of Town and Country Planning, Mr Pita Nacuva, is acting Permanent Secretary for Housing and Urban Affairs.

The Deputy Director of Education, Ms Taufa Vakatale, is acting Permanent Secretary for Employment and Industrial Relations, replacing Mr Uttam Chandraa who has retired.

Principal Economic Planning Officer Mr Pita Waqa is to act as Deputy Secretary for Finance (special projects), replacing Mr Murray MacKenzie who has resigned.

Principal Education Officer Mr Joe Nailati is to act as Assistant Director of Preventative and Primary Health Services (administration).

A senior medical officer, Dr Laisa Naivalulevu, is to act as Assistant Director of Preventative and Primary Health Services (professional).

The former Director of Social Welfare, Mr James Vir, is the Chief Assistant Secretary with the newly-created Ministry of Indian Affairs.

The Assistant Director of Social Welfare, Mr Victor Rigamoto, is to act as director.

The Assistant Director of Agriculture (Extension), Mr John Teaiwa, is to act as Director of Rural Development, Rehabilitation and Rural Housing, replacing Mr Rober Khan who has retired.

The principal of Queen Victoria School, Ratu Manasa Seniloli, is to act as the commissioner Central from next year. He will replace Mr Gaya Prasad who retired this month.

A Senior Information Officer, Mrs Fusi Caginavanua, is to act as Director for Women and Culture.

Former Secretary to the Public Service Commission, Mr Peter Howard, will be attached to the Ministry of Foreign Affairs to await an overseas posting.

Fiji's former representative in Brussels, Mr Poseci Bune (pictured), is the new secretary to the PSC.

/9738

### Bans on Unions Lifted

42000083b Suva *THE FIJI TIMES* in English  
6 Nov 87 p 3

[Text] The military government has lifted its suspension of trade union rights.

The decision was conveyed in a letter to the Fiji Trades Union Congress from the Minister for Labour and Industrial Relations, Mr Taniela Veitata, last week.

It followed meetings between government Ministers and FTUC officials early last week.

But the FTUC says it is still anxious about restrictions placed on public service unions.

Its president, Mr Jale Toki, said yesterday the congress had expressed concern at restrictions placed on the Public Service and the matter was under negotiation.

The unions claim that Decree 10 had undermined the independence of the Public Service, making it merely an advisory body to the Council of Ministers.

In addition, Public Servants had been deprived of their rights to appeal on decisions regarding promotions and appointments and the compulsory retiring age of civil servants had been reduced from 60 years to 55 years.

But Mr Toki said these were grievances that the Public Service Unions could take up individually with their employer.

A spokesman for the Public Service unions said yesterday changes imposed by the military government had given sweeping powers to the PSC on promotions, appointments, termination of appointments and transfers.

"The new Public Service Act has brought about alarming operative changes. At the same time the joint consultative process has been abolished," he said.

The unions were still compiling differences between the old legislation and the new decrees, the spokesman said.

Trade union rights to take industrial action in the form of strikes, go-slow campaigns, bans, protest marches and demonstrations were suspended in Decree 12 of the military government issued three weeks ago.

In his letter to the FTUC Mr Veitata says: "Section 14 of Decree 12 is superfluous and unnecessary and I have given instructions for the said section 14 to be deleted by Gazette notice forthwith.

"I am also to assure you that the rights of trade unions will remain intact as they do under the present Act in any new Constitution that may be promulgated," Mr Veitata said.

Mr Veitata said trade unions were free to hold normal meetings of boards, committees and conferences provided the nearest Police Station was informed of the meeting.

The measure was only a temporary one, he said.

He also gave assurance that the movements of trade union officials "in pursuance of their normal trade union functions" would not be restricted.

As a result of Mr Veitata's assurances, the FTUC called on its Australian, New Zealand counterparts to lift their trade bans against Fiji.

Consequently, air travel bans to become effective November 1 were not imposed and the shipping bans were lifted.

/9738

### Budget Geared for Recovery

42000083e Suva *THE FIJI TIMES* in English  
9 Nov 87 p 3

[Text] The 1988 Budget to be approved shortly will contain emergency measures for economic recovery, says the Minister for Information, Ratu Inoke Klubuabola.

In a statement issued by the Ministry of Information on Saturday, Ratu Inoke said the Executive Council of Ministers met last week and examined a paper on the state of the country's economy prepared by the Minister for Economic Development, Planning, Trade and Industry, Mr Isimeli Bose.

"The government is determined to make Fiji an attractive investment area and is reviewing the present incentive packages to facilitate further investment," Ratu Inoke said.

Similarly, Ratu Inoke said, the government would be implementing policies to encourage domestic saving.

The council emphasized that non-Fijians were assured of their personal security, property rights and their aspirations would be treated with sensitivity.

At the same time measures would have to be taken to create opportunities for fuller Fijian participation in the economy and for their social advancement through education, health and other sectors, it said.

All steps would be taken with openness and a sense of fair play for all.

The council outlined that the Fundamental Freedoms Decree, which safeguards everyone's rights, would guide policy actions.

Ratu Inoke said the government had already begun steps towards identifying new export markets and alternative import sources.

The purpose of a delegation from Indonesia, Ratu Inoke said, was to help diversify Fiji's trading interests.

He said the government was planning a meeting with the business sector to get businessmen's views on future policies and incentives to mobilise support and action on that front.

"The government is also reviewing certain aid-funded projects and in the light of suspension of some aid sources, it is exploring alternative sources to supplement its own resources," Ratu Inoke said.

The revival of the construction industry was considered an essential part of the plan for economic growth.

Ratu Inoke said the ministries concerned were being asked to revise rigid requirements for subdivisions and building standards to provide affordable housing.

The council has asked the Minister for Primary Industries, Mr Viliame Gonelevu, to look at proposed programmes in agriculture and its implementation as it was still the major industry in the country.

It decided that certain positions in the Ministry of Health be filled by recruiting personnel from overseas to maintain a satisfactory level of health services.

Relevant ministries, including the Public Service Commission, Finance, and Employment and Industrial Relations have been asked to look at schemes which could create increased employment.

The council felt that the policies to be implemented would create confidence among all ethnic groups in Fiji and work towards creating an understanding of one another's needs and aspirations.

/9738

**Economic Slump Expected To Continue**  
42000099b Suva THE FIJI TIMES in English  
11 Nov 87 p 3

[Text] The economic downturn resulting from the two military coups would continue into 1988, the chairman of Burns Philp, Mr David Burns, said in Suva yesterday.

He warned shareholders at the company's annual meeting that the direct result had been to turn a profitable business into a loss situation.

Burns Philp announced a net operating profit of \$1.2 million for the financial year ending in June this year—an increase on the \$1.1 million announced last year.

This was achieved as a result of a policy of rationalisation involving concentration on the group's "core business" and disposing of non-strategic and surplus properties, Mr Burns said.

It meant selling the agricultural estate in Taveuni to the Government, as well as selling off the soap, plastics, biscuits and packaging operations. The company also disposed of its 50 per cent interest in Coachwok (Fiji) Ltd.

"Against this background, and with a new management team which had moved quickly to institute significant operational changes with particular emphasis on Fiji operations, prospects for improved performance looked good."

But progress in Fiji was brought to an abrupt halt by the coup of May 14. Political and economic uncertainty had had a detrimental effect on business in Fiji and the 1987 results, Mr Burns said.

"The second coup d'etat on September 25, the devaluations of the Fiji dollar and shipping bans which followed both coups have seen a major downturn across nearly all sectors of the Fiji economy.

"This directly affects our Fiji business through a downturn in consumer spending, restricted export opportunities for our timber and furniture businesses and impacts unfavourably on our liquidity.

"Consequently, the Fiji sector has been transformed from a profitable business into a loss maker," he said.

Burns Philp had set aside \$1 million to enable further rationalisation and restructuring and had taken steps to cut losses by a reduction in manpower, introducing cost control measures and curtailing capital expenditure.

But with the economic downturn continuing into 1988 trading conditions were expected to remain difficult, Mr Burns said.

"The political uncertainty, weakening Fiji dollar, rising interest rates and emigration of trained and experienced personnel will pose new problems this year," he said.

Shareholders received a dividend of 5.8 cents per share, a slight increase on the 4.2 cents paid last year.

/06662

**Country's Economic Challenge Assessed**  
*42000099c Suva THE FIJI TIMES in English*  
*11 Nov 87 p 6*

[Editorial: "The Economic Challenge"]

[Text] The chairman of Burns Philp (SS) Co. Ltd, Mr David Burns, has predicted that the economic decline set off by the military coups will continue into 1988.

As he is the head of one of the largest corporations which has been trading in Fiji and other countries in the region for more than 50 years, his assessment of the economic outlook cannot be dismissed.

It is, of course, no secret that the economy is in serious decline. But the big question—and the challenge—for the military government is how to halt and then reverse this trend.

Others may disagree with Mr Burns' prognosis on the national economy.

But it is wise to recognise certain axiomatic facts. The economy of any country is irretrievably tied up with its political system. Political stability is essential to economic growth.

It is, therefore, important that the military government should proceed quickly with drafting and presenting to the people its new constitution. A generally acceptable constitution and a clearly set programme for a return to parliamentary democracy—the declared aim of the military government—would create a climate of confidence and stability.

One of Mr Burn's more notable observations was the continuing loss of trained and skilled manpower in the wake of the two coups. While people are free to move on to newer pastures, Fiji must try to retain professional and skilled people needed here. Many accountants, engineers, technicians, doctors and skilled industry workers are leaving.

Many of them have been trained at the taxpayers' expenses.

It makes little economic sense to lose these people and replace them, at considerable cost, with people from abroad.

/06662

**Banks Face High Rates, Cash Crisis**  
*42000120a Suva THE FIJI TIMES in English*  
*16 Nov 87 p 1*

[Article by Asha Lakhan]

[Text] Fiji's money market is facing its biggest challenge in years as credit dries up and interest rates soar.

The situation is a banker's nightmare: Banks have no money too lend, interest rates are as high as 30 per cent and there is little demand for loans, almost none for investment purposes.

Banks faced with the credit squeeze, are having to borrow at rates as high as 33 per cent.

"There is no shadow of doubt...the banks are not liquid," says the chairman of the bankers' association, Mr Gordon Ryan, who is also chief manager of the National Bank of Fiji.

"The money supply has tightened considerably. There is almost no money available for lending," says the regional manager for the Westpac Banking group, Mr Jim Huey.

Part of the squeeze is being applied by the Reserve Bank of Fiji.

It is keeping a tight rein on money by dictating at what terms commercial banks buy from it. The aim is to keep Fiji's foreign exchange reserves at above panic levels by curbing imports.

RBF lends to the banks at an interest rate of 18 per cent applicable for the first three days. After that, the levy rises sharply from 20 per cent to 24 per cent to peak within 10 days at 28 per cent.

In addition, banks that over-lend (above the margin set by the RBF) pay a penalty of five per cent.

This means that banks pay as much as 33 per cent for money borrowed from the Reserve Bank.

In turn, the banks are levying rates of between 23-30 per cent for "wholesale" lending, that is, for loans above \$250,000.

On the other hand, wholesale deposits fetch a return of between 17-23 per cent.

But the situation is pretty fluid.

"Rates can vary markedly from bank to bank and borrower to borrower, according to priority and performance," said Mr Huey.

Mr Ryan was less cautious. He described the situation as varying "dramatically from bank to bank and customer to customer".

In fact, talk to bankers and you begin to get a fascinating glimpse of the behind-the-scenes haggling over transactions prevalent in the marketplace.

For small borrowers, the rates has risen on an average about 2-3 per cent.

From an average rate of 11.5 per cent in Early May before the first military coup, it is now hovering at about 14 per cent.

But here again there may be variation from individual to individual, depending on the priority of the loan and the risks involved.

Non-essential, high risk loans can take interest rates as high as 18 per cent, if not more.

Housing loans are generally at interest rates of between 15-16 per cent.

The cheapest rates are applicable to cane farmers at about 12 per cent. This is being held down as deliberate policy by banks.

Fiji's money market has been through rather stormy passage this year.

The first quarter of the year funds were tight and the economy largely stagnant.

But by May the money supply situation had taken a dramatic swing. Foreign reserves were at an all-time high and the banks were flush with money.

Lending rates began to plunge, reaching an all-time low of about eight per cent. Speculation was rife that there would be further decline, forced down by market trends.

But the May 14 military coup changed the situation overnight. Fiji was faced with a large flight of capital.

The drain on the banks was caused not only by people moving their money overseas in panic but also by businesses, reacting to fears of a devaluation, making prepayments on imports.

Said Mr Ryan: "The biggest major drain was businesses paying for their imports in advance. That made a lot of difference to the bank's liquidity position."

No figures could, however, be obtained on how much of a drain this was on money supply.

The banks believe recovery could be slow and difficult. The situation was beginning to ease in September as confidence began to work back when the second coup took place.

While the recent sugar payments to cane farmers has eased the situation somewhat, bankers say recovery could be slow, stretched over 12 months.

They point to tourism which has slumped after the second coup and shows little signs of recovery. The future of the sugar industry has a question mark with the long-term markets in doubt and the persisting drought.

Individual savings are not expected to improve with slashes in pay packets, increasing unemployment and rising cost of living.

On the other hand, devaluation has had its benefits for the export market with prospects for timber, tuna and gold looking bright.

Fiji's foreign reserves have risen markedly from \$129.5 million at the end of September to \$147.8 million at the end of last week.

This was both a result of devaluation as well as real increase in export earnings.

/06662

#### Ministry Organizes Workshop on Economy Plans, Trade, Industry

42000121a Suva *THE FIJI TIMES* in English  
20 Nov 87 p 8

[Text] The country's economic recovery will feature in discussions at a workshop being organised by the Ministry of Economic Development Planning, Trade and Industry in Suva today.

The half-day workshop on trade and industry will be held at the Ports Authority conference room. It will be chaired by the Minister of Economic Planning, Trade and Industry, Mr Isimeli Bose.

Delegates from business, industry, financial institutions and government will be among participants.

Other topics for discussion include strategies for export growth and Fijian participation in business and commerce.

A spokesman for the organisers said it was the Ministry's intention to use reports from the workshop as guidelines in forming policies and strategies for economic recovery and reconstruction of the economy.

"The Ministry of Economic Planning, Trade and Industry intends to hold regular consultations with the various sectors of the business community and this workshop is the first in a series of such consultative exercises," he said.

Meanwhile, in a letter to participants, Mr Bose said it was the government's aim to restore the country's economy in the shortest possible time.

"Broad strategies that have been considered include the restoration of investor and business confidence and the offer of new incentive packages to new investments," Mr Bose said.

"In addition, government intends to demonstrate that it has the ability to create the environment for political stability which will ultimately generate further economic activities."

/06662

**\$6M Sought in Government Tender Call**  
*42000121b Suva THE FIJI TIMES in English*  
*20 Nov 87 p 8*

[Text] The Minister of Finance, Mr Josua Cavalevu, has announced that a new Fiji development loan for \$6 million is to be raised by tender.

The closing date is December 15. Interest at 15 per cent per annum is being offered for the one year stock to mature on December 16, 1988.

The Minister said the loan would provide an opportunity for investors to secure yields at competitive market rates.

"Investors who support the new loan will be helping the government to implement its development schemes.

"Moreover, the investor can be proud of the fact that this investment, no matter how small, is helping the development of his country," the Minister said.

The minimum investment is \$50.

For a private investor—the first \$500 per annum interest received by "individuals resident in Fiji from government loans is free of tax."

Prospectus and other information are available from all banks and the operations department of the Reserve Bank of Fiji.

/06662

**Digital To Stage Biggest Exhibition Ever in Country**

*42000082a Suva FIJI SUN in English 19 Sep 87 p 14*

[Text] Digital Equipment corporation the worlds second largest computer supplier continues to expand, and its Fiji operations are no exception.

The company began operations in the United States over 25 years ago and moved into the Pacific in the early 1960s.

It now has annual worldwide sales in excess of UF\$9,500,000,000 and is considered to be the leading supplier of networked computers in the world.

Despite the current change in the economic outlook, Digital remains committed to its users and the Fiji market place. During the past 12 months a VAX 8500

was installed at the Government EDP Centre, and a VAX 8200 and VAXstation/GPX at the Native land Trust Board. Additional systems are on order and will be installed over the next two months.

As part of its promotional activity Digital is about to stage the largest single-vendor computer exhibition ever seen in Fiji. The exhibition, to be held at the Suva Travelodge next Tuesday and Wednesday, is being run in conjunction with a series of seminars. Those interested in attending are asked to register with the company.

Top of the line at the exhibition will be the new MicroVAX 3600, a system with three times the power of the popular MicroVAX IIa number of which are installed locally.

The system will be equipped with an RA82 622 Megabyte disk and a TK70 296 Megabyte backup tape.

The microVAX 3600 will be connected to a number of other machines via a local area network (LAN). These will include: a VAXstation 3500 advanced graphic workstation with precision colour display, (as typically used for mapping applications),, a MicroVAX II running commercial applications, MicroVAX 2000 and VAXstation 2000 systems and several industry standard personal computers.

Also on show for the first time will be Digital's commercial packages, especially tailored for the local market, applications will include Payroll, Debtors, Creditors, General Ledger, Fixed Assets, Order Processing and Inventory Control.

The VAX processors on the LAN will be connected as a Cluster via the local area VAXcluster system software and visitors will be shown a practical example of how the VAX system lets them start small and expand to meet their future needs.

Digital plans to continue the expansion to its Suva office to meet the consulting, programming, training and service needs of existing and future users.

The local presence and the support of a major supplier such as Digital, with the resources to provide a complete range of services, will make a major contribution to the productivity of the nation.

/9738

**Alliance Councillor Lal Eyes Suva Mayoral Seat**  
*42000083d Suva THE FIJI TIMES in English*  
*7 Nov 87 p 2*

[Text] Alliance councillor Richard Lal says he is planning to contest Suva's mayoral election set for November 24.

The council will meet at 6pm to elect a new mayor and his deputy by secret ballots.

The term of the present Lord Mayor, Cr Bob Kumar, expires on November 23.

The Town Clerk, Mr Vishnu Chand, said yesterday the polling date was tentative and could be changed if there was no quorum on the day of election.

Ten councillors are needed to form a quorum.

There are 18 councillors. Two of them resigned early this year.

They are councillors Gyaneshwar Lala and Eparama Rokoika, both from the Alliance Party.

Of the 18 councillors four are away overseas and two have been granted leave of absence.

Labour Party councillor I N Cakau left in mid September for six weeks while fellow councillor Jai Prakash is on six-months leave in New Zealand from June this year.

Cr Kumar is in Australia while his deputy, Cr Iliesa Duvuloco, is in Canada.

Cr Navin Chandra and Cr Ashok Patel are also abroad.

Mr Chand said the two vacant Muanikau Ward seats would be filled on instructions by the Electoral Commission.

The by-elections for the two vacant seats were suspended indefinitely by the commission after the May 14 military coup.

Alliance Councillor Richard Lal said yesterday he was vying for the mayoral seat.

Cr Lal said if he had the support from his colleagues he would accept the post.

Asked if any other Alliance councillor was contesting the post, Cr Lal said he understood Cr Vijay Raghwan was also interested.

But the Alliance caucus meeting scheduled for next week would decide on the candidate, he said.

Cr Lal is on his second three-year term in the council.

He is the chairman of the finance committee.

/9738

**Doubling of Trade With PRC Reported**  
*42000089d Jakarta ANTARA NEWS BULLETIN in English 14 Nov 87 p A1*

[Text] Jakarta, 13 Nov (ANTARA)—Direct trade between Indonesia and China in the last 2 years has more than doubled so as to give hope that it will increase still more in years to come.

Junior Minister/Cabinet Secretary Moerdiono, chairman of the Team for Coordination of Direct Trade between Indonesia and China, told Commission II of DPR (parliament) in a hearing Friday Indonesian export to continental China in the second year of direct trade (August 1986 to July 1987) was recorded at U.S.\$296,641,000.

The figure was more than double the export value of the previous annual period (August 1985 to July 1986) which amounted to U.S.\$110,600,000.

In the meantime, Indonesian import of Chinese goods under the direct trade in the second year period amounted to U.S.\$88 million compared to U.S.\$37 million in the first year period.

Junior Minister Moerdiono explained the government's role in the direct trade is only to encourage and facilitate the trade flow.

In this connection, for instance, the Indonesian Government has issued regulations on import-export procedure, banking relations procedure, immigration matters, transportation and communication services in the framework of the implementation of Presidential Instruction No 9 of 1985.

Indonesian exports to China consist of plywood, sawn wood, steel cord, concrete iron, rubber, synthetic fibre, wood fibre and aluminium.

Indonesian imports from China meanwhile include soybean flour, scrap iron, fertilizer raw materials, sulphur, zipper and coal.

/9604

**Canadian MPs Impressed With East Timor**  
*42000101e Jakarta ANTARA NEWS BULLETIN in English 19 Nov 87 p A 1*

[Text] Dili, November 19 (ANTARA)—A Canadian parliamentary delegation currently visiting Indonesia wound up a two-day visit to East Timor Wednesday with good impressions of the progress of development in the province.

Chairman of the delegation, Steve Paproski (vice speaker of the Canadian parliament), said he was impressed by the development progress achieved in East Timor, particularly in the educational field.

Paproski informed reporters of his positive impressions here Wednesday after the nine-member delegation had returned from an observation tour to the Liquisa regency, 36 kilometers west of here.

9365

**UN Vote on East Timor Human Rights**  
*42000097b Sydney TRIBUNE in English 28 Oct 87 p 6*

[Article by Denis Freney]

[Text] A United Nations subcommittee on Human Rights last month called on Indonesian authorities to "facilitate without restrictions the activities of humanitarian organisations in East Timor". It also recorded its preoccupation with new allegations of continuing violation of human rights there.

Humanitarian organisations not subservient to Jakarta, such as Amnesty International, are refused entry into East Timor.

The UN subcommittee is composed of experts on human rights from 25 countries. They are supposed to vote on the evidence presented and not necessarily in line with their governments' policies.

In the vote, those from Britain, France, Greece, Ecuador, Cuba and Holland voted for the resolution, while those from Japan, Canada, Somalia and the Soviet Union voted against.

Among the remainder who abstained were those from the USA, Yugoslavia, India and China.

**Timorese**

Non-government representatives are allowed to address the subcommittee and Timorese Jose Gutterres did so, on behalf of the National Aboriginal and Islander Legal Service of Australia, which has supported the East Timorese people.

A strong condemnation of Indonesian human rights violations in East Timor by 40 U.S. Senators (out of a total of 100) was submitted. The senators raised concern in a letter to U.S. Secretary of State Shultz about new Indonesian military operations in East Timor.

Those present at the subcommittee session on September 4 in Geneva, Switzerland, were surprised and angered at the last-minute intervention by the Soviet expert, Mr Sofinsky. He read out a prepared statement that was strongly pro-Indonesian and was, in the view of many observers, written by the Indonesians.

Sofinsky launched an attack on the guerrilla resistance led by Fretelin, claiming that it was receiving foreign aid for its armed struggle, without specifying what the source

of the aid was. He was reported to have said in private later that it came from Portugal—and Libya, repeating disinformation spread by right-wing forces in Australia and elsewhere.

Soviet diplomats in Geneva later assured their Portuguese counterparts that Sofinsky was not representing the views of the Soviet government. The experts are supposed to be independent, but Soviet experts in the past have not gone counter to their government's basic views on issues.

The UN subcommittee vote was significant because the UN Human Rights Commission is one of the few UN bodies in which East Timor is debated. In the UN proper, no vote has taken place since 1982. In the years since, the UN Secretary-General has been charged with conducting talks between Portugal and Indonesia to seek a solution.

In 1985, East Timor was voted off the UN Human Rights commission agenda. The sub-commission vote last month put it back on the agenda for the commission's next full meeting in 1988.

/9738

**Japanese View Country as Good Investment Climate**  
*42000101f Jakarta ANTARA NEWS BULLETIN in English 21 Nov 87 p A3*

[Text] Nov 21 (ANTARA)—Indonesia remains a favourable spot for Japanese investments which have reached US\$357 million from January through October 1987.

The figures at the same time denied the complaints of several Japanese businessmen that the investment climate in Indonesia was unfavourable.

Indonesian sources here disclosed that Japanese investors had regained their interest in operating in Indonesia too since the Indonesian government issued a series of economic policy packages, including investment and trade facilities.

The sources added that any further complaints on the matter would then be a usual thing in the business world. In business, everybody wanted to get the largest profits as possible, they added.

9365

**Britain To Step Up Trade, Investment**  
*42000089a Jakarta ANTARA NEWS BULLETIN in English 11 Nov 87 p A4*

[Text] Denpasar, 11 Nov (ANTARA)—Britain has agreed to step up investment, trade and tourism in Indonesia, according to the decisions of the ninth working meeting on Britain-Indonesia economic cooperation which ended here Tuesday.

The Indonesian chief delegate, Tony Agus Ardie, said following the meeting that Britain agreed to increase the volume of trade between the two countries.

The meeting has decided that Britain will assign two experts with the Indonesian Chamber of Commerce and Industry (Kadin) and the Capital Investment Coordinating Board (BKPM) in the near future in line with the decision taken during the eighth meeting in York, Britain, in 1986.

The British experts will be assisted by a joint team from Kadin, BKPM, private business and the government led by Tony Agus Ardie.

Meanwhile a committee will be set up in Britain to study and modify programs aimed at improving the economic cooperation between the two countries.

Priority will be given to small and middle-level industries, investment and tourism.

Britain will carry out a profound study of the possibilities for investment in the tourism sector. "They are interested and believe that tourism in Indonesia can be stepped up," Tony Agus Ardie said.

The meeting has produced a 10-point decision in which Britain has expressed its great interest in purchasing rubber and essential oils from Indonesia and cooperate in pharmaceutical production.

Tony said Indonesia did not mind the amount of the deficit it suffered but regarded an increase in trade volume as most important of all.

With regard to that Indonesia's businessmen have to be able to improve the quality of their products at competitive prices, he said.

Tony hoped with the presence of the two British experts Indonesian businessmen would learn the taste of the British consumers.

9604

**Naro Appeals to Suharto Not To Attend Manila Summit**

42000087f Jakarta ANTARA NEWS BULLETIN in English 11 Nov 87 p A5

[Text] Jakarta, 11 Nov (ANTARA)—General Chairman of the Central Executive Board of the PPP (United Development Party) and concurrently Vice Speaker of the Indonesian Parliament and of the People's Deliberative Assembly Dr H.J. Naro has made an appeal to President Soeharto not to attend the upcoming ASEAN Summit in Manila, scheduled for 14 through 16 December.

"We are well aware of the great importance of the Third ASEAN Summit for the development of the organization of ASEAN and for peace in the Southeast Asian region, but news reports, received directly or through newspapers from Manila, have in general given a picture of the uncertain situation in the Philippine capital, causing great anxiety among us," he told newsmen at Parliament Building here Tuesday.

According to Naro, the appeal has been conveyed due to the fact that the PPP had entered Army General (Ret) Soeharto as a candidate for the Indonesian Presidency for the 1988-1993 period.

"General Soeharto is very precious to us and as such all efforts should be conducted to guard him from all kinds of mishap," he added.

Without diminishing in the least Indonesia's support to Philippine President Corazon Aquino, Naro was of the view that it would be advisable to move the venue of the IIIrd ASEAN Summit to another ASEAN country, with the priority to Brunei Darussalam, the youngest member country of ASEAN.

/9604

**Taiwan Trade Figures**

42000101a Jakarta ANTARA NEWS BULLETIN in English 28 Oct 87 pp A6, A7

[Text] Jakarta, Oct 28 (ANTARA)—The trade balance between Indonesia and Taiwan in the last five years has always been in favour of Taipei, except for 1985, during which Taiwan suffered a deficit of US\$63 million, it was learnt here Wednesday.

Data from the Foreign Relations Directorate of the Indonesian Chamber of Commerce and Industry (KADIN) showed that Indonesia's export value to Taiwan in 1982 was recorded at US\$177.7 million, while its import value from Taiwan stood at US\$459.5 million, a deficit of US\$281.8 million for Indonesia.

In 1984, Indonesia's export value to Taiwan increased to US\$323.1 million, while its import value from that country decreased US\$387.3 million, a surplus of US\$64.2 million for Taiwan.

Indonesia's export value to Taiwan in 1985 also increased to US\$353.7 million, while its import value from that country dropped to US\$290.7 million, a deficit of US\$63 million for Taiwan.

Last year, Indonesia's export value to Taiwan dropped to US\$316.6 million, while its import value from Taiwan increased to US\$409 million, a surplus of US\$92.4 million for Taipei.

The Indonesian export commodities to Taiwan consisted of crude oil, plywood, sawn timber, rattan and rattan products, while Indonesia imported various capital goods from that country, such as industrial machineries, automotive spare parts and telecommunication equipment.

9365

**Malaysian Minister Calls for Uniform Palm Oil, Rubber Prices**

42000101c ANTARA NEWS BULLETIN in English 17 Nov 87 p A4

[Text] Jakarta, November 17 (ANTARA)—Malaysia will ask Indonesia to equalize the export price of palm oil and rubber, Malaysian Finance Minister Daim Zainuddin disclosed here Tuesday.

"It is useless if we compete with each other but, if it may, we should cooperate in the two commodities," he said after meeting President Soeharto with Indonesian Finance Minister Ali Wardhana and Malaysian Ambassador to Indonesia Muhammad Khatib here Tuesday.

He said he would talk about it with Trade Minister Rachmat Saleh later on.

In reply to a question he denied that Malaysia had been worried about the increasing exports of Indonesian palm oil.

Indonesia only produces about one million tons a year and most of them are used for domestic consumption, leaving only a small portion for export, he said without giving any figures.

Although Indonesia's exports of palm oil are quite small, Malaysia does not wish any other parties would exploit it for certain purposes.

"If we can cooperate in determining the price it would be better," he said.

Asked what will happen if the production cost in Malaysia is higher, Minister Zainuddin said that Malaysia would not care if Indonesia thus gained more profit.

"It is better than Malaysia selling it at a lower price," he said adding that "that's what we are going to discuss."

Asked whether Indonesia will agree to such cooperation, Zainuddin said Malaysia hoped that Indonesia would accept it.

According to him, Indonesia is always cooperative with Malaysia though sometimes there is problem. "So, it would be better if we sit and talk so that the third party would not take any chance. This is what we want," he said.

Zainuddin said he would not talk on proposals for an ASEAN common market. According to him, Malaysia and Indonesia have the same view on the matter.

9365

#### **SGS Contract To Be Extended 3 Years**

42000089b Jakarta ANTARA NEWS BULLETIN in English 12 Nov 87 p A7

[Text] Jakarta, 12 Nov (ANTARA)—The contract for the services of the Swiss surveyor company, SGS, will be extended for 3 years, Trade Minister Rachmat Saleh disclosed before a parliament hearing here Thursday.

He said discussions on contract amendments were still underway.

SGS has been appointed by the Indonesian Government through Presidential Decree No 4/1985 to check import goods worth more than U.S.\$5,000 and issue surveyor reports for the Indonesian Government.

The first contract with the surveyor company will expire on March 1988.

Rachmat Saleh admitted that the appointment of the SGS surveyor company did cost Indonesia quite a high extra payment. He said: "We have been well aware of it," without disclosing the amount paid to the SGS.

Despite the cost, however, the government believes that for the present the benefit gained will still be greater for the smooth flow of trade and economic relations as well as for industrial growth, the trade minister added.

He said all the industries involved in activities related to Presidential Instruction (Inpres) No 4 of 1985 had generally profited from the SGS services in terms of time and money saved.

Irregularities causing losses of money for the State Treasury are still possible but the possibility is quite small and can be overcome, he added.

/9604

#### **SGS Contract Extension Hailed**

42000089c Jakarta ANTARA NEWS BULLETIN in English 13 Nov 87 pp A6, A7

[Text] Jakarta, 13 Nov (ANTARA)—Parliamentarians as well as exporters and importers hail the government decision to extend the contract with Societe Generale de Surveillance, a Swiss surveyor company.

Chairman of GINSI (Indonesian Importers Association) Zachri Achmad, Chairman of Gapkindo (Indonesian Rubber Producers Association) Harry Tanugraha and Bomer Pasaribu, a parliamentarian of the Karya Pembangunan Faction, stated Thursday that the presence of SGS since 1 May 1985 had smoothed the flow of goods through the ports.

Zachri Achmad said the extension of the contract with SGS would give wider opportunity to the Customs and Excise Office to prepare itself before taking over the task to check and examine goods at the ports.

/9604

#### **Jakarta Linked to Arms Dealing**

42000097a Auckland NEW ZEALAND HERALD in English 29 Sep 87 p 6

[Text] NZPA-AFP, Turin—An Italian lawyer, Giuseppe Lupis, arrested at the Italian-Swiss border with \$US22 million (\$34.3 million) worth of payment orders purportedly from the Indonesian National Defence Secretary Ministry, is suspected of being at the centre of international arms dealing.

The orders were found hidden under the rear seat of a car belonging to two friends of Lupis, which was stopped and searched at the Chiasso border post.

Lupis, who had already gone through the border post in his own car, returned to protest against a search being made of his friends' car, both from Calabria, Lupis' native province.

In the car Italian Financial Police found \$US3 million in promissory notes and photocopies of \$US19 million in bills of exchange, all purportedly issued by the Indonesian ministry, as well as a power of attorney made out to the lawyer to negotiate the documents.

The police also found a file of around 100 pages concerning arms traffic valued at around \$US1 billion between Jakarta, Damascus and Beirut. Several people in Wiesbaden, West Germany, are reportedly involved.

Investigators believe the \$US22 million might be a commission paid to Lupis.

In the 1970s, the attorney was sentenced to a year in jail for participation in violence fomented by neo-fascist groups in Reggio Calabria, and in the past few years he defended several bosses of the Ndranghetta, the Calabrian Mafia.

/9738

**Mounting Pressure for Reform Described**  
*42000102 Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 4 Nov 87 p 29*

[Article by James Dallmeyer: "Pressure Is Mounting in Indonesia for Reform"]

[Text] Jakarta: The Indonesian Government is under mounting pressure to liberalise the nation's political and economic institutions as it prepares for next March's presidential election.

Public debate on a range of sensitive issues such as monopolistic practices, graft and corruption and tax avoidance has been stepped up in recent weeks as newspaper editorials dare to touch on subjects that would have been taboo in the past.

The three political parties, traditionally sponsored by the government, have also added their voices by the growing clamor from younger elements in Indonesian society for more open debate, and more open participation in government.

Most vocal among them has been the Moslem-based United Development Party (PPP) which used the forum of the People's Consultative Assembly, the body that will elect the president, to call for wide-ranging reforms.

PPP spokesperson Mrs Aisyah Aminy has suggested legislation should be prepared to end monopolies, an end to a ban on campus politics, greater press freedom and more grass roots involvement by political parties.

The PPP may have gone further in its calls for reform than the other two parties, but its strength is on the wane, its vote having slumped from 27 percent in the 1982 election to 16 percent in last April's poll.

Nonetheless, the conservative INDONESIAN OBSERVER welcomed the fact that several newspapers had blazoned Mrs Aminy's remarks across their front pages and gently criticised other newspapers for carrying their sense of self-censorship too far by burying the story.

Golkar, the ruling party that has been traditionally linked with the army and the bureaucracy, is also preoccupied with the need for reform, although the changes it is contemplating have more to do with internal adjustments than radical external transformations.

Informed sources in Golkar, which won 73 percent of the vote in the last election, say the party plans to become more democratic and responsive to grass roots demands.

The plan is to hold regional Golkar congresses next year before the National Congress which elects office bearers, to allow more input from rank-and-file members.

Senior Golkar officials admit there is a growing groundswell of opinion that favors change.

The Indonesian Democratic Party (PDI), which surprised most observers by increasing its vote to nearly 11 percent last time around, has recently issued an impassioned appeal for a concerted five-year campaign against graft and corruption which it says has become part of the nation's mentality.

The PPP and PDI also say the government should not interfere in the judiciary and agree the military should distance itself from politics.

Several western diplomats approached by AAP believe a move is afoot to alter the perception that the military is in the vanguard of the political process and favors stepping back to act more as a political watchdog.

In the elections last April the army did appear to have abandoned its traditional stance as an active supporter of Golkar, but military men have gained more seats in the House of Representatives, increasing the number allotted to them from 75 to 100 and moving 28 former army MPs into Golkar itself.

The importance of the army's dual role in Indonesia has also been reiterated, so that it continues to act as defender of the nation's security and of its sociopolitical welfare.

Diplomats doubt whether any changes will affect the army's position in the political power structure in real terms, especially since the transition period, if and when President Suharto decides to step down.

Despite the clamor for reform, there is scepticism in western diplomatic circles as to whether the government has the political will to relax controls and dismantle structures that have been carefully built up over the 20 years of the "New Order."

Any move against the monopolies is expected to be strongly opposed by those with vested interests who are close to President Suharto, including members of his own family.

What is more, western diplomats say, the incentive to tackle the monopolies question may have been weakened because the economy has performed better than expected this year, yielding more from oil exports and doing better in the non-oil sector than was expected.

The question now is whether the president can find a middle-line consensus between conservative elements who believe control is the path to continuing stability, and progressive elements who are calling for more liberal institutions.

Instability could be the end result either if the president moves down the path to liberalisation too far and too fast, or if he does not move far enough and sufficiently rapidly.

9365

**NU Decides Not To Revert to Political Role**  
*42000101d Jakarta ANTARA NEWS BULLETIN in English 19 Nov 87 pp A3, A4*

[Text] Cilacap, November 19 (ANTARA)—The Nahdlatul Ulama (NU) midterm congress here wound up Wednesday night with the decision that there was no need for the Islamic organization to hold a "special congress" to discuss a new political role for it as demanded by certain segments within its ranks.

The congress also resolved to hold firmly to the decision of its Muktamar (general assembly) held in Situbondo, East Java, in 1984 by which the organization will therefore remain a "Jamiya" (socio-religious mass organization) which does not engage in any practical political activities.

The midterm congress attended by about 5,000 delegates from throughout Indonesia was held at the Ilyia Ulumuddin Islamic Boarding School at Kesugihan, Cilacap, Tuesday and Wednesday after being preceded by a National Convention of NU Ulemas at the same venue Sunday and Monday.

**End of Differences**

The decisions of the congress were announced to journalists by K.H. Hasyim Latief, vice-chairman of the Central Executive Board of NU, at the end of the congress' closing ceremony. With these decisions the differences within NU—between those who wanted NU to re-enter active politics and called for a special congress to discuss it and those who wanted NU to remain nonpolitical—were considered resolved by the NU leadership, K.H. Hasyim said.

The camp that wanted the massive and influential NU to be active gain in practical politics had thus been "outvoted."

The congress furthermore stipulated that in exercising its duties, the Central Executive Board of NU shall always keep in line with the organization's formal decisions as

adopted in the 1984 NU Muktamar in Situbondo and in the just-ended National Convention of NU Ulemas and midterm congress in Cilacap.

K.H. Hasyim commented that the last two organizational events held in Cilacap had proceeded in the spirit of brotherhood based on the principle of deliberations for reaching a consensus.

9365

**Tin Exports Continue To Drop**

*42000089f Jakarta ANTARA NEWS BULLETIN in English 1 Nov 87 p A3*

[Text] Jakarta, 31 Oct (ANTARA)—Indonesia's tin exports have continued to decline in the last 5 years following the drops in the world price some time ago.

Data of the Bank Indonesia on Saturday showed Indonesia's tin exports had dropped in value from U.S.\$338.93 million in 1983, U.S.\$262.73 million in 1984, U.S.\$246.24 million in 1985, U.S.\$180.63 million in 1986 to only U.S.\$57.85 million in the last 5 months of this year.

Tin exports in the last 5 months were recorded highest in value in January earning U.S.\$12.03 million.

Tin market at present is still unsteady. The world's demands of tin this year are estimated to reach about 172,000 tons while supplies reaching 145,000 tons and stock 55,000 tons.

Indonesia's tin production was recorded at an annual rate of 22,000 tons from 1982 through 1986.

9604

**Oil Find in Java Sea**

*42000089e Jakarta ANTARA NEWS BULLETIN in English 3 Nov 87 p A6*

[Text] Jakarta, 3 Nov (ANTARA)—Pertamina's production sharing contractor IIAPCO has discovered a new oil source at a location in Java Sea about 209 kilometers north of Jakarta with a capacity of 5,845 barrels per day.

Pertamina's spokesman K.A. Endin said Tuesday IIAPCO (Independent Indonesia American Petroleum Company) had struck oil after drilling down to the depth of 1,152 meters.

The new oil source was discovered in a wildcat field in the contractor's offshore contract area southeast of Sumatra under 22-meter deep water.

IIAPCO is a subsidiary of American MAXUS Energy Corporation based in Dallas, Texas.

9604

## PEOPLE'S REPUBLIC OF KAMPUCHEA

### Kompong Som Food Purchase, Sale Objectives Discussed

42120028c Phnom Penh KAMPUCHEA in Cambodian  
26 Mar 87 pp 12, 13

[Text]

### The Art of Buying and Selling

If you have gold, you must know how to spend If you have friend, you must know how to use him

With its abundant resources, Kompong Som must help to generate more revenues for the country and also consolidate the administrative management of trade circulation.

First of all, we must improve the collection of agricultural produce such as rice and pepper in the Kompong Som area. Because of inundation, last year our farming brothers cultivated only 7,500 hectares instead of 10,000 hectares as planned. But now, they are working intensively. In order to collect 2,800 tons as planned, the city should guarantee the delivery of necessities to the people. They must receive five important items: various types of fabric, soap, kerosene, salt, and sarong batik. Also, three more items (Tetoron fabric, monosodium glutamate, and lighter flints) should be added to 21 others available.

"The sale to Kompong Som farmers is not a problem because both the population and the land area are small," Comrade Prak Ham affirmed. Pepper cultivation must be rescued. In the beginning, the agriculture service had to transport people to the town of Kompong Trach (Kampot) to find seeds for planting. After the third year, a row of pepper plants can produce 1.5 kg on old land and 9 kg on new land.

Because the purchase price has not been set, the average purchase price in the city is based on that currently prevailing in Kampot Province (150 riel per kg). The unofficial price on the free market is 300 riel per kg. "Merchants usually want to fill their stocks through competition with us, but we have taken rigorous measures against this action," Comrade Vuddina declared.

According to Comrade Sarann, director of the city Office of Information and Culture, the difficulty derives from the fact that Kompong Som City is surrounded by the sea. All subdistricts and bases are onshore. This naturally favors illegal smuggling of goods. Pepper, being a commodity that brings significant profit abroad, can bring 2,500 riel per kg in Thailand. The pepper crop is growing at present, and the city hopes to purchase at least 3 tons of pepper in 1987. But this crop requires fertilizer, so people must breed cattle for excrement. The city intends to reinforce this cultivation, but planters are worried about some financing problem. Due in part to

this problem, some localities cannot boost their pepper cultivation even with government subsidies, along with the water pumps and insecticides that they have purchased.

While the situation with regard to the city's agricultural produce is not bad, sea products constitute a big problem, especially as the city is to build warehouses with funds provided by institutions in charge of collecting, exporting, and managing the fishing corporations.

It is very hard to compete with the local merchants in collecting and purchasing fishing products. Both sellers and buyers are unbeatable. They use innumerable tricks. For example, they mix crab meat with coir or fresh shrimp with shrimp that have gone bad.

Speaking about the price of shrimp, Comrade Sieng Hok said: "We buy shrimp at the official price of 150 riel per kg, whereas on the free market the price ranges from 500 riel to 1,000 riel per kg, depending on the quality. In a whole night, fishermen can catch only 20 kg of shrimp. For this purpose, they use a flood light plus a barrel of kerosene that costs 4,000 riel. The cost is too high. Who is going to sell shrimp to us for such a ridiculous price?"

Comrade Prak Ham said that the city organization intends to solve the problem by raising the price to 350 riel or even 450 riel per kg. As with the exchange of goods with farmers, the city has improved relations between the city Collection and Purchase Division and the fishing corporations.

Comrade Lim Huot Samphan, resident director of the city Sea Products Office, brought to our attention the problems of fresh water, ice, and parking facing the Sea Fishing Corp.

Until recently, many fishing corporations bought their ice and fresh water from Thailand, because the ice made at the Kompong Som local plant was insufficient. Some bought and transported ice from Phnom Penh at high prices, ranging from 450 riel to 500 riel per 150 kg block. Since there is a resident office, locally an ice block of that size costs only 250 riel; the fresh water is brought by pipeline linked to the port and the fishing boats, in particular, can be moored at the waveproof loading dock of the Purchasing Corp. To protect against cheating traders, the organization hired an individual for 4,000 riel per month for a 3-month period. Now, the Collection and Purchase Division can overcome the dishonest practice.

As a result, during the second half of last year, the Collection and Purchase Division was able to buy some 300 tons of all kinds of shrimp (but not a single kg of the first quality shrimp which fetches from 900 riel to 1,000 riel per kg); 1,150 tons of all kinds of fresh fish; 100 tons of crab; and 38 tons of squid. The net profit realized by the Collection and Purchase Division in the second half

of 1986 is equal to the total revenue of the city Office of Industry during an entire year. In short, to organize the management of this branch, we must "buy quickly and sell quickly without loss."

As an outlet where two or three styles of living brutally collide, Kompong Som is a sharp battlefield. It is the nose of the People's Republic of Kampuchea, the nose that breathes in the air to revive the entire body (when it catches something bad, it produces a cold or a sneeze).

We believe that all cadres, combatants, workers, and people of Kompong Som City are unanimously determined to defend this nose.

09791/09599

**Editorial Urges Fulfillment of Food Purchase Plan**  
*42120027b Phnom Penh KAMPUCHEA in Cambodian*  
*14 May 87 p 2*

[Editorial: "More Dynamism Needed for the Second Step of Food Collection and Purchase"]

[Text] The first step in this year's food collection has produced greater results than in previous years. But if we take our requirements into account, a great deal of work remains to be accomplished. The cities, provinces, districts, subdistricts, solidarity groups, and farming families should not overlook the paddy remaining at every base; they should avoid fixing an inclusive price and dare to take responsibility. In examining matters closely, we find that the government set up three programs for collecting 20 percent of the food produced by our farming brothers during the 1986-87 dry and rainy seasons. Food prices have been set as low as possible through fair estimation. That contradicts the enemy propaganda accusing us of forcing our farming brothers to sell all of their paddy and to empty all of their granaries.

In the first step, we have been able to collect and purchase a total of 65.73 percent of the paddy contribution, 61.62 percent of the obligated paddy, or 14,887 tons in exchange for 9,068 tons of fertilizer. This represents 88.29 percent of the plan, or 188.29 percent of the plan for the 1985-86 period. This first step clearly demonstrates the high patriotic spirit prevailing in a number of provinces and centers where food production has exceeded the target, and in other places where people are continuing their efforts to reach the target ahead of schedule. As examples, in Preah Vihear Province and Phnom Penh City, the plan goal has been exceeded; in Kampot Province, 90 percent of the plan has been implemented; in Stung Treng Province, 87 percent; and in Kompong Speu, Takeo, and Kratie, more than 70 percent. In eight provinces—Siemreap, Battambang, Pothisat, Kompong Chhnang, Svay Rieng, Kompong Cham, Prey Veng, and Kompong Som—60-70 percent of the plan has been realized.

These achievements in provinces and cities have brought to light a combination of many essential factors. Under guidance of the party Central Committee and the government, authorities at all levels, from the provinces and cities to the bases, have carefully concentrated on promoting cooperation, uniting forces among the people, student, and Buddhist organizations. A number of provinces are determined to lead the way to achievement of the plan ahead of schedule. Districts such as Kampot and Bovel have set an example for the whole province. Some provinces have completed precisely on time the supply of food to every farming family. Kampot and Takeo Provinces are exemplary in keeping all of the collected paddy. Other important factors are the relaxation of the time period, as well as the use of practical means, for collection, purchase, and sale of goods.

The government has empowered subdistricts to create their own warehouses for the collection, purchase, and sale of goods. As a result of another special decision, people's production solidarity groups are allowed to have their own warehouses under the banner of trade unions in subdistricts, bases and purchase, exchange and sale groups. The central government sent to all provinces a total of more than 600 million riel of goods, but many provinces sent only 60 percent of the goods to the subdistricts to be sold to the people in return for their value in paddy. Although morale is high in regard to production, the achievement level of only 65 percent in this first step of collection and purchase is far from satisfying, because we had been determined to achieve at least 70-80 percent.

Therefore, all provinces, cities, district, subdistricts, bases, production promotion solidarity groups and every family should courageously eliminate the errors that have occurred in the collection and purchase first step, as follows:

—At some bases, there is evidence of the absence of pertinent decisions and appropriate measures to cope with aspects of production, cultivated surfaces and estimation of the collectible harvest in each area. The slowness of goods transport to district and subdistrict bases led to irregularities or tardiness in the calculation of the amount of subsidy or cash to be handed to the subdistricts. Some transactions in regard to the sale of goods are not entered in the books. Regarding chemical fertilizers that are sent from districts to subdistricts to be exchanged for paddy, the subdistricts received no assistance in recording the quantity or volume. The transport of paddy to the capital, Phnom Penh, or to other centers is too slow, leading to lower plan results. A number of provinces are not expeditious in signing contracts for the delivery of paddy to centers due to fear of a shortage for internal consumption and to the intention to reduce the amount of paddy to be delivered to the centers.

—For the second step in the food collection process, in the light of the first step experience and the elimination of some mistakes, we can achieve progress throughout

the country and we will dedicate ourselves to raising the amount collected by 35 percent, because we consider that food collection is the main objective to serve the national aspirations. All provinces and cities must conscientiously ensure the supply of food to centers while keeping enough for all bases, as indicated in the plan provisions.

A specific amount of paddy to be transported to centers must be established and its supply to important areas of need in emergency guaranteed. Regarding the collection of debt from provinces and cities, an efficient solution for recovery at every base must be found.

For the success of the second step in the food collection process, all provinces, cities, districts, subdistricts, bases, production promotion solidarity groups and every family must keep in mind the rules of conduct and all pertinent measures for solving problems, as follows:

—All human resources must be mobilized to transport food. In respect to the specific characteristics of each province, in particular, we must ascertain the availability of paddy in both dry and rainy seasons. Any district that achieves a good rainy season harvest must try to collect and purchase more in order to compensate for another district that suffers bad weather.

—All measures adopted for collection and purchase must be reviewed with a view to collecting the contribution in every subdistrict.

—The work of every production promotion solidarity group and every farming family must be examined to ascertain whether they have done a good job. On this basis, those that are late in selling, in contributing, in paying debts or that do not show enough responsibility must be encouraged to strive to fulfill all of their obligations in the best manner possible.

—The sale of goods to families that have sold paddy to the government should be arranged. A system of incentives must be set up, giving priority in the sale of goods to families that fulfill their obligations better than expected. Also, it is recommended that various building materials such as zinc sheet and cement be provided to subdistricts that have completed and exceeded plan provisions for food collection and purchase, for the collection of contributions and for recovery of debts in order to enable them to build a material base.

—The timely transport of goods to the warehouse at the approach of the rainy season, must be ensure. Every province has the obligation to provide food to the central government and to the capital city, Phnom Penh, in order to reestablish a stable situation, in execution of Council of Ministers' circular No 08.S.R. dated 29 September 1986 on the collection and purchase of food in the 1986-87 period.

—The transport committee in charge of food collection must try to improve and increase means of transport, and guarantee the frequency of operation and use of such means on ordinary inspected roads. Rigorous punctuality must be observed when organizing purchase and sale in districts and subdistricts in order to obtain goods results.

Of course, difficulties remain, but suitable relief is essential; we must have confidence in our firm ability to continue the purchase and sale of food. Then the second step in the plan for food collection and purchase will be achieved and overfulfilled.

09791/09599

**Problems in Phnom Penh Tax Collection Noted**  
*42120027a Phnom Penh KAMPUCHEA in Cambodian*  
*14 May 87 p 5*

[Article by Keo Ratha: "Are Farmers Food Products Taxable?"]

[Text] After our readers inquired about the alleged attempt to tax all products our farmers bring to the capital city for sale, we asked Comrade Tayl Pen San, the director of the Capital City Industry-Trade Taxes and Duties, to clarify whether our government intended to issue that regulation and what would be the procedures?

On the question as to whether the government actually issued a circular concerning a tax on farmers' commodities, Comrade Peng San clarified that merchandise being transported and estimated as costing less than 1,000 riel are exempt from any taxation.

The Bill no-22 KR.H. dated 6/14/85 and its implementation instructions through the Finance Ministry's Decision no-1260 KHR dated 7/3/85 stipulated that all activities having the character of supplying additional family income are free from annual taxes. Activity characterized as supplementary family income is that of selling any produce from farming.

In this, the government has been thinking of income taxes (monthly taxes) while imposing some taxes on wages at the same time (Bill no-23 KR.C dated 6/14/85 and its implementation instructions through Finance Ministry's Decision no-1259 K.C.). This regards small merchants who each time transport less than 1,000 riel worth of goods for sale. Like farmers with the same amount of produce, they are exempted from taxes. But, according to Comrade Peng San's statement, farmers who bring their farm produce once in a while for sale or to trade for necessary equipment do not have to pay taxes.

Answering our question as to how to distinguish a merchant from a farmer, Comrade Peng San affirmed: "It is easy, Tax Personnel permanently posted at the

Capital City gates can recognise who is a merchant and who is an occasional conveyer of goods for sale. But some difficulty exists due to the fact that some merchants cleverly fragment their commodities into many portions of less than 1,000 riels each to evade taxes. Inexperienced agents of Tax and Duty Service let those people cheat the national budget. Now, our capable and experienced personnel continuously detect these tricks.

9791/09599

**Bus Transport Network Operation, Income Reviewed**

*42120028a Phnom Penh KAMPUCHEA in Cambodian*  
*2 Apr 87 p 5*

[Article by Keo Ratna]

**[Text] Duty of Transporting Passengers Accomplished Well**

**Tickets Remain on Sale After Bus Departure; Why Are the Vehicles Overloaded?**

Comrade Sam Sakun, vice chairman in charge of passenger transport, has confirmed that, while executing the directives of the plan, the transport organization has encountered many difficulties due to the shortage of passenger transport means. At present, we have 84 vehicles, whereas when we first started on 22 May 1981 we had only 37 vehicles. Each vehicle, which has 40 to 50 seats, is old and dilapidated. Furthermore, workers and drivers must provide additional money to pay unofficial fees illegally imposed by each control post; otherwise, the trip is delayed and the passengers are discomfited. In addition, there are too many free vehicle parking areas in the capital city; merchandise trucks stop in front of some commercial buildings and hotels for the purpose of unauthorized loading of passengers as well as goods.

Our organization has two regular stations for buses. Within the organization, everything operates smoothly. We have enough resources on hand. Our workers are skillful and our drivers are experienced. All this is sufficient to insure the important matter of passenger safety. Since 1983, the organization has had its own budget. As to the financial situation, the comrade clarified that our revenues have exceeded the plan target.

Recently, bus tickets on sale at the Olympic Market Station have reportedly disappeared very rapidly. In elucidating this matter, Comrade Sam Sakun strongly asserted: "It is not true at all. Bus tickets are available for sale at the boxes until the bus departs. We constantly check this. All ticket sales people are core staff members or are youth associated members. In fact, we carry out inspections very often. The truth is that many passengers do not like to buy tickets at the boxes. They prefer to go straight to the bus with the intention of getting a seat and

afterward asking the workers to help them buy tickets. This looks very bad because many fellow passengers think that due to special acquaintance with this or that driver, some people are favored, can easily find a good seat on the bus or can freely travel all day."

To execute the plan, reach the target of transporting 721,230 passengers and collecting revenue of 36,003,484 riels, the transport organization is prepared to open passenger transport lines from Phnom Penh to Ho Chi Minh City and from Phnom Penh to Neak Luong. But the most important matter is the problem of free parking in the capital city of Phnom Penh.

Also, cooperation is needed in order to increase the revenues by improving the manpower quality and by solving all problems related to state property transport.

To guarantee more income, the corporations must implement the provisions of the plan.

09791/09599

**Kompong Cham Youth Organization Recruitment**

*42120028b Phnom Penh KAMPUCHEA in Cambodian*  
*7 May 87 p 5*

[Article by Yos Thirith]

**[Text] Involvement of Kang Meas District Youth in the Tasks of Building and Defense**

Young people of the district of Kang Meas in Kompong Cham Province have devoted themselves physically and mentally to the youth movement.

Among 3,320 youngsters (including 2,417 girls), the district has 344 associate members (131 are female members) dispersed in 57 branches. So far, the district has organized 14 promotional ceremonies to present awards to meritorious members.

With undying anger toward the genocidal clique, they are determined to protect the people's lives and the revolutionary ideals. They clearly understand the effective guidelines of the party and the front and are conscious of their duty and obligation to defend the fatherland. In the first quarter of 1987, 86 young people of the district volunteered to serve in the Army ranks. Last year, 355 served in the Army, 134 in the district people's militia, 119 in the self-defense force, and 1,077 in base guarding.

At the same time, Kang Meas District has erected a defense barrier of 56,017 meters for bases, subdistricts and provinces, along with 126,299 meters of dams, and it has supplied 39,660 cigarettes and 26,375 riels of foodstuffs to combatants on the battlefield.

09791/09599

## UN, Bilateral Aid Projects Reported

### Luang Prabang Hospitals

42000078 *Vientiane KPL NEWS BULLETIN* in English 2 Nov 87 p 4

[Text] Vientiane, 2 November (DPL)—Two new hospitals have just been built and put into operation at two villages in Pak Ou District, the northern province of Luang Prabang.

The building of the hospitals at a total cost of more than 665.000 kip was funded by UNICEF.

Now Pak Ou district has altogether 5 hospitals.

### IFAD Project Strengthens State Bank

42000078 *Vientiane KPL NEWS BULLETIN* in English 6 Oct 87 pp 1, 2

[Text] Vientiane, 6 October (KPL)—The main objective of the International Fund for Agriculture Development (IFAD)-initiated 5-year rural credit project in Laos is to help develop an agricultural credit delivery system by strengthening the State Bank of Laos, reads a press release of the UNDP office here.

The project is supportive of the government's economic development efforts. It will improve access to and supply of inputs for small holder agriculture and cottage industries to rural families living mostly in southern provinces.

The project will provide increased foreign exchange for the procurement of those inputs and reduce the burden of women's household work by assisting in agro-processing and help produce high quality products for market.

Of the total project costs, estimated at 7.03 million dollars, IFAD will finance 4.4 million dollars, while 1.7 million dollars will be provided from local resources and 0.91 million dollars from co-financing sources.

### UNICEF Aids Luang Prabang District

42000078 *Vientiane KPL NEWS BULLETIN* in English 29 Oct 87 p 3

[Text] Vientiane, 9 October (KPL)—A new hospital has been built in Phonsay Hamlet, Xiengngeun District, the northern province of Luang Prabang.

The hospital built at a cost of more than 339,000 kip was jointly funded by the government and local people. UNICEF contributed 55,000 kip to the project.

Now the province has 25 hospitals and 31 health centres which are staffed with 22 doctors, 130 mid-level medical workers and 500 nurses.

### USSR Sports Aid, Olympic Participation

42000078 *Vientiane KPL NEWS BULLETIN* in English 17 Oct 87

[Text] Vientiane, 17 October (KPL)—A number of sport pistols and cartridges was handed over by Vladimir Barteniev, Soviet Cultural Counsellor to Laos, to Singapo Sikhotchounnamaly, chairman of the Lao Committee for Peace, Solidarity and Friendship with other Nations, who is also president of the Lao Olympic Committee.

This aid, presented by the Soviet Olympic Committee, is a contribution to Lao Athletes for training and taking part in the 24th Olympic games.

"Laos is going to take part in boxing, shooting and track-and-field," said a member of the Lao Olympic Committee.

### WHO Helps in Khammouan Water System

42000078 *Vientiane KPL NEWS BULLETIN* in English 4 Nov 87 p 4

[Text] Vientiane, 4 November (KPL)—The health service of the Central Khammouane Province has recently sent its specialists to Yommalath District to build a water-duct system in Nongping village.

This is the first water-duct system built in the village. The construction of the project was started at the beginning of May 1987 and scheduled to be finished early next year. It was financed by the World Health Organisation.

Besides, WHO has also provided for the building of four wells and four hospitals in Yommalath District.

### Hungarian, GDR Projects

42000078 *Vientiane KPL NEWS BULLETIN* in English 27 Oct 87 pp 1, 2

[Text] Vientiane, 27 October (KPL)—The fund for the construction of economic bases in Vientiane this year will reach 700 million kip, according to report made by the provincial administration recently.

So far, the province has built two weirs, installed a pumping station which can water 500 ha of land, and built 40 km of road.

A tailoring workshop built with the help of the Hungarian People's Republic and a sawmill built in cooperation with the GDR are expected to be completed at the end of this year.

The 1988 investigation for building economic bases in Vientiane will increase 8 percent compared with this year.

**Import-Export Company Gets Autonomy**  
*42000079b Vientiane KPL NEWS BULLETIN in English 9 Oct 87 p 3*

[Text] Vientiane, 9 October (KPL)—Autonomy in production was granted to the Import and Export Company on 6 October.

This is the fourth company attached to the Ministry of Trade to have enjoyed this right.

According to its 1988 plan of production, the company is to buy more than 4 thousand million kip worth of local goods for export and to export more than 13 million rubles worth of goods to socialist countries, 2 million dollars worth of goods to other countries, and to raise the volume of its goods circulated in the country by 5 million kip

/12232

**Saravane District Trade Figures**  
*42000079a Vientiane KPL NEWS BULLETIN in English 28 Oct 87 p 5*

[Text] Vientiane, 28 October (KPL)—Trade in Vapi District, the southern province of Saravane, has been consolidated and developed of late.

Since early this year, the provincial trade service has supplied the local inhabitants with more than 55 million kip worth of foodstuff and other materials.

Meanwhile, they have bought more than 1,500 tons of rice from them in return.

/12232

**Savannakhet Province Trade Figures**  
*42000079c Vientiane KPL NEWS BULLETIN in English 30 Oct 87 p 2*

[Text] Since the beginning of this year, the trade service of the central Savannakhet Province has bought over 27 million kip worth of forestry products from the local people, including 28 tons of coffee beans and 62 tons of resin. It has also bought 98 tons of scrap aluminum.

Meanwhile, the trade company of Outhoumphone District, Savannakhet Province, has bought over 50 tons of resin and cardamon, and 10 tons of other forestry products.

/12232

**Paper Views Improvement in Trade Relations With PRC**  
*42050004a Kuala Lumpur NANYANG SIANG PAO in Chinese 16 Sep 87 p 2*

[Editorial: "Malaysia-China Trade Needs Bigger Breakthrough"]

[Text] Our high-level delegation, led by Deputy Prime Minister Ghafar Baba, has completed its 1-week visit to the PRC. Arriving back at the capital the night before last, one of the delegation members, Communications Minister Datuk Dr Ling Liang Sik, proclaimed the visit to China a great success, as top leaders of both countries achieved deeper understanding of each other's views on various matters. During the mission's stay in China, besides signing a shipping accord, both sides also discussed the question of an aviation agreement; more importantly, leaders of both countries exchanged views on several long-pending problems which had been hampering discussions concerning a trade treaty.

The way Dr Ling Liang Sik sees it, both countries will continue to discuss the "details" of these problems with good prospects for a solution, which will result in a closer bilateral cooperation between the two countries. If the delegation succeeded in achieving a better understanding on the difficulties surrounding the long-awaited Malaysia-PRC trade agreement, which will lead to a smooth resolution in the coming rounds of negotiation so the trade agreement could be concluded at an early date, then the claim of success of the deputy prime minister's trip was not made in vain.

Some progress has been achieved in Malaysia-PRC relations since Prime Minister Datuk Sri Dr Mahathir's visit to China about 2 years ago. Two-way trade has reached the M\$1 billion mark, but only meager results have been scored in efforts to conduct direct Malaysia-China trade, as most transactions are still concluded through third countries. Two years ago, an accord concerning avoidance of double taxation was signed by way of encouraging direct trade between the two countries. The shipping agreement recently signed when our delegation visited China contains identical objectives; in it, merchantmen of both countries will, in principle, carry Malaysian or Chinese cargo, each side enjoying equal rights and opportunities. Furthermore, the crews of both sides enjoy mutual "most preferential treatment," including the right of free disembarkation. This may be viewed as a breakthrough in the development of the bilateral relations.

However, the crucial point for the promotion of Malaysia-China direct trade still lies in the concluding of a trade agreement, because, without it, our commodities entering China would be levied relatively high duties, thus placing our country in a disadvantageous position. If the merchandise were to be exported to China via Singapore or a third country, we would pay import duties 10 percent less instead, and this has been the main

reasons for the lethargy of Malaysia-China direct trade. Although Dr Ling Liang Sik declined to reveal what the problems are for the stalemate in the direct trade talks, knowledgeable businessmen are fully aware that the bottleneck is due to Malaysia's insistence that the importation of Chinese commodities into Malaysia must be accompanied with an AP Permit, plus a payment of .5 percent commission to the National Enterprises Corporation. These requirements are regarded by China as a discrimination against Chinese goods, but not an unsolvable "detail" in the stalemate. Both sides must demonstrate greater sincerity and determination to overcome the difficulties.

There is no denying the fact that apart from policy matters, there are still man-made hindrances which must first be relegated before we can really promote trade and other economic relations between the two countries. Because Malaysian businessmen dealing in Chinese imports cannot freely visit the PRC to place direct orders, it is unavoidable that their businesses fall behind their counterparts in our neighboring countries. On this score, the government should seriously consider making a clearcut decision soon.

As a matter of fact, Malaysia and the PRC have had diplomatic ties for 13 years, but the relationship all these years has been restricted to government-to-government contacts. This is an unsound situation which needs to be improved. In its recent annual convention, the All-Malaysia Chinese Chamber of Commerce passed a resolution urging the government to lower the minimum age requirement to 50 years for private individuals wishing to visit the PRC. This is something worthy of serious consideration by the government. Already the Malaysian Airlines System is making preparations to inaugurate direct charter flights to China, a wise move to meet the needs of the times. If this plan can be coordinated with the slackening of visitation requirements to China, it will bring about much benefit to the people. It is gratifying to learn that Malaysia and China are feverishly negotiating for an aviation accord, and that China will shortly send a delegation to our country to continue discussions in this matter. On the whole, the reaching of further mutual understanding toward a trade agreement and the determination to set up an aviation connection serve as a big help to the promotion of Malaysia-PRC direct trade, and even economic and diplomatic relations between the two countries.

13210/7310

**PRC Commercial Attaché Cites Improvement in Trade Relations**  
*42050004b Kuala Lumpur NANYANG SIANG PAO in Chinese 18 Sep 87 p 9*

[Text] Liang Bihua, commercial counselor of the Chinese Embassy here, pointed out that progress has been

made in the bilateral trade relations since the establishment of Malaysia-PRC diplomatic ties in 1974, especially after Malaysia's Prime Minister Datuk Sri Dr Mahathir paid a state visit to China in 1985, which promoted further the bilateral trade and economic cooperation.

This is a good beginning and the future prospect is fine, he added.

Liang Bihua made these remarks to our reporter when he, accompanied by his wife, for the first time visited Kuala Trengganu yesterday to meet with leaders of the local Chinese Chamber of Commerce in the course of his visit to Trengganu state.

Commercial attaché Liang Bihua disclosed that since his country adopted a policy of opening to the outside in 1979, there has been a total of 6,000 to 7,000 cases of wide-ranging joint venture business activities with entrepreneurs coming from all over the world, including such major countries and regions as Hong Kong and Macao, the United States, Western Europe, Singapore, Japan and Malaysia.

He said that the field of joint ventures covers textile, garment and mining enterprises, and our country's "Dreamland" bed and mattress industry in Tianjin.

Although at Kota Bharu yesterday Mr Liang indicated that the Malaysia-PRC trade has been growing rather slowly due to several objective factors in the past 13 years, he said today that the situation has improved considerably in the wake of the Malaysian prime minister's visit to China.

He said that as far as China is concerned, the procedure to conduct direct Malaysia-China trade is very simple. If a Malaysian businessman wishes to do business directly with China, all that he needs is some assistance from the Chinese Embassy or an invitation letter from a Chinese company which expresses an intent to get involved in a joint venture, and he will obtain an approval from the Chinese authorities.

Mr Liang indicated that he welcomes Malaysian business people to visit China for observation or investment purposes, and that his embassy will provide all assistance necessary.

He pointed out that if a Malaysian businessman wishes to market his products in China, he must be prepared to supply the commodities in huge quantities, because once accepted by the Chinese market, he must be able to fill the all-around demand. Furthermore, one of the prerequisites is that the products must also be marketed to some other foreign marketplace. As to the percentage of product volume to be offered in domestic and foreign markets, this depends on the category of the product, and the Chinese authorities have no fixed ruling on this point.

Mr Liang said that at present the Chinese authorities are paying close attention to this policy and, in order to coordinate its development, are vigorously improving the telecommunications, energy resources and transportation facilities within the country.

Speaking on China's purchases of our primary products, Liang Bihua disclosed that more than half of China's requirements of natural rubber are imported from our country, although the island of Hainan produces rubber. In addition, China also imports palm oil, lumber from eastern Malaysia and, beginning early this year, plywood from us.

Li Minglin, a member of Mr Liang's party, told our reporter that the main purpose of Mr Liang's visit to the Malaysian east coast is to understand the trade situation there, so that trade between the two countries may be improved.

He said in the course of the delegation's first trip to the east coast, it will collect and collate suggestions submitted by local business circles for review.

9300/7310

**Paper Comments on UN Resolution on Cambodia**  
*42050005b Kuala Lumpur NANYANG SIANG PAO  
in Chinese 17 Oct 87 p 2*

[Editorial: "UN Again Urges Vietnamese Troops To Withdraw From Cambodia"]

[Text] The other day the UN General Assembly overwhelmingly passed a resolution urging foreign troops to leave Cambodia. The voting this year was 117 for (2 votes more than last year's) and 21 against—the highest voting record in the past 9 consecutive years. Such a voting result carries great significance, because it shows that more and more countries in the world cannot be hoodwinked by Vietnam's sham smiling diplomacy in the past 12 months and that they firmly believe that the withdrawal of Vietnamese troops from Cambodia constitutes the prerequisite to solve the war in Cambodia.

In its attempt to improve its bad image before the United Nations, Vietnam has announced that it would again withdraw 20,000 military troops from Cambodia during this year. But Western military experts and ASEAN countries believe that it was merely a rotation of troops, and even Indonesia that has good relations with Vietnam, has refused Hanoi's invitation to supervise what Vietnam calls troop withdrawal. On the other hand, after boycotting UN debates in the past four years, Vietnam unexpectedly dispatched its deputy foreign minister, Nguyen Dy Vien to attend the meeting this year, and he talked volubly before the UN General Assembly about a reconciliation movement among the Cambodian people and the Phnom Penh government's invitation to Prince Sihanouk to a high position by way of "beautifying" Cambodia's present conditions. The

voting result of the UN General Assembly signifies the mounting displeasure of the international community against the continued occupation of a foreign territory by Vietnam and the latter's dilly-dallying to reach a compromise solution.

Since its invasion of Cambodia in December 1978 and its involvement in battles for years on end, Vietnam has gone deeper in a quagmire and its economy is on the verge of a crisis and is being bolstered by Soviet economic aid. Although its new leadership presents a stance of "international conciliation," the compromise proposal it brings up regarding the Cambodian problem is merely the same old stuff with a different label. The national compromise plan jointly proposed by Vietnam and the puppet government in Phnom Penh is nothing but for the sake of legalizing the Phnom Penh government's authority, thereby covering up Vietnam's role as an aggressor. Then, after the so-called compromise has been reached, Vietnam will continue to hold political power and dictate the fate of the Cambodian people.

The Vietnam-touted Cambodian People's Compromise Plan has already been denounced by ASEAN countries. As pointed out by Yusuf Hitam, Malaysia's representative, in his speech before the UN Assembly, such a compromise policy is not to be believed, because its greatest defect is that the Phnom Penh regime is propped up by Vietnam. Singapore delegate Mabupani also described Vietnam's peace talk as a sugarcoated poison.

As pointed out by various countries of the world, and as reflected in the UN resolution, any plan for the solution of the Cambodian problem must include the withdrawal of Vietnamese troops. Prince Norodom Sihanouk, president of the UN-recognized Coalition Government of Democratic Kampuchea, in his message read by Prime Minister Son Sann, reaffirmed sternly out of a sense of justice the coalition government's 8-point plan as its basic stand to resolve this dispute. This plan includes the establishment of a four-party coalition government to be worked out by representatives of the Coalition Government of Democratic Kampuchea and of the Phnom Penh regime, and the withdrawal of Vietnamese troops in two stages. Prince Sihanouk also pointed out that the troop withdrawal must be carried out under UN supervision.

Most recently, there have been signs of Vietnam and Phnom Penh trying to draw Prince Sihanouk over to their side, by virtue of the prince's proclivity to cooperate with them. According to reports, Prince Sihanouk has privately expressed his reaction to Vietnam's peace feelers. This is the reason why he asked for a 1-year leave of absence from his coalition government, so he could have greater freedom of movement in seeking a political solution. One of his aides disclosed the other day that Prince Sihanouk may meet with the prime minister of the Phnom Penh government between the middle of next month and the end of December. The Khmer Rouge, the strongest partner in the coalition government, is bound

to feel displeased with the prince's move, because it always advocates that the coalition government should negotiate directly with Vietnam but not with a Vietnam-backed puppet regime.

The road for seeking peace in Cambodia is still rather remote and replete with difficulties. The three parties of the coalition government must maintain close cooperation and not take separate actions on account of differences in opinion. By virtue of the great support accorded them by the UN, they should strengthen their confidence in their struggle. As regards Vietnam, it should watch out for the UN resolution, respect the opinions of the community of nations, earnestly and sincerely seek a peaceful solution to the Cambodian situation, get out of its own predicament and seriously consider the withdrawal of its troops from Cambodia.

9300/7310

**Joint Oil, Gas Exploitation With Thailand**  
42000117 Kuala Lumpur BUSINESS TIMES in English 20 Nov 87 p 1

[Article by Ahirudin Attan: "Pact Soon With Thailand on Oil, Gas Exploitation"]

[Text] Malaysia and Thailand are expected soon to conclude negotiations over a scheme for joint exploitation of gas and oil deposits in the 3,000 sq km off-shore continental shelf in the Gulf of Thailand.

The Malaysian-Thai Joint Development Authority (JDA), which was formed in 1980 to discuss the terms and conditions for the scheme, is scheduled to convene its next meeting in Kuala Lumpur soon. No date was given.

Malaysian co-chairman of the JDA Datuk Harun Ariffin said yesterday the end to the dispute over the area is in sight.

He said the Thais informed him two weeks ago that they were set to embark on a reassessment of the area in respect to the terms and conditions of the joint exploitation scheme.

The Thais are also said to have ironed out problems tied up to Triton Oil Co of Thailand, a unit of Triton Energy Corp of the US, which owns petroleum concession rights over the area which Malaysia and Thailand both claim sovereignty.

Datuk Harun said these are good signs that the next meeting of the JDA may be able finally to conclude something concrete on the joint exploitation scheme.

He was responding to queries on the nine-year issue after the opening of the 18th Malaysia-Indonesia Joint Technical International Border Committee meeting in Kuala Lumpur.

The shelf—named the Joint Development Area—is said to be “very rich” with oil and gas. But due to the prolonged negotiations between Thailand and Triton over the concession granted by Thailand to the oil company in 1972, the two countries have not been able to get their scheme off the ground. (Triton was reported to have spent some \$8 million ion exploration by the time it was ordered to halt its operations in 1975.)

Malaysia and Thailand signed a memorandum of understanding, valid for 50 years, in 1979. The Joint Development Authority was formed a year later to determine the terms and conditions for the joint exploitation.

It was learnt that Thai Prime Minister Tun Prem Tinsulanonda and Datuk Seri Dr Mahathir Mohamad discussed the issue during the former's visit to Kuantan recently.

Meanwhile, the 18th meeting of the Malaysia-Indonesia technical committee meeting on international borders was told yesterday to resolve quickly whatever disagreement they encountered in their joint task.

National chairman of the Malaysia-Indonesia committee Datuk Nasruddin Bahari, who is secretary general of the Land and Regional Development Ministry, said the technical committee's close cooperation could ensure that there are no misunderstanding and suspicion of either party.

Since 1974, the joint committee has completed over 300 km along the borders of Sabah and East Kalimantan and over 400 km along Sarawak and West Kalimantan.

/06662

**Islam Helping To Promote Trade**  
42000100a Kuala Lumpur NEW STRAITS TIMES in English 9 Nov 87 p 19

[Text] More Arab businessmen and investors are beginning to get acquainted with Malaysia. And one reason for this is that Islam is the State religion.

“I think that we, as Muslims, want to maintain a close relationship with Malaysia. We feel Malaysia is very close to our hearts,” said Mr Mohamed Bassam El-Estwani, managing director of international Al-Quran publishers, Dar Al-Koran Al-Kareem.

He is one of the first to arrive for the Malaysian-Arab Trade and Investment Conference (Matic), which will further pave the way for better business relationship between Arab and Malaysian businessmen.

Mr Bassam said the vast opportunities in Malaysia's agricultural sector, her political stability and the encouragement showered by the Government on foreign investors were positive traits that would undoubtedly attract more Arab investments.

“I have a few projects in mind already. I hope to meet some local partners, especially big printing companies, to invest with,” he told reporters at the Subang International Airport upon his arrival yesterday evening.

Dar Al-Koran Al-Kareem is claimed to be the first and biggest Al-Quran publishers in the Arab world, operating from Washington DC, USA. Established some 20 years ago in Lebanon, it has grown into a multi-million dollar business since, with branch offices located in Syria and West Germany.

Meanwhile, more than 100 businessmen and top executives from Malaysia and abroad have registered with Matic which starts tomorrow. Of this total, some 40 represent Arab Governments and business concerns from Saudi Arabia, Kuwait, Oman, Dubai, USA, Switzerland and Thailand.

All enquiries can be directed personally to the Matic conference secretariat at the ninth floor, Peremba Building, 424 Jalan Tun Razak, Kuala Lumpur or by telephone, 984-3366.

Prime Minister Datuk Seri Dr Mahathir Mohamad will open the five-day conference at the Kuala Lumpur Hilton. On the last day of the conference (Nov 14), he will hold a dialogue with Arab businessmen.

Working papers on investment opportunities in the various sectors of the economy will be presented. Several proposed joint-venture projects will also be presented to Arab investors.

/09599

**Call For Banks' Cooperation in Economic Growth**  
42000111 Kuala Lumpur BUSINESS TIMES in English 10 Nov 87 p 16

[Article by Sharif Haron: “Call For Special Bank Treatment”]

[Text] Banks in Malaysia have been urged to work out a strategy to complement the efforts of the Government and the private sector towards setting up industrial and manufacturing projects that are given specific incentives.

Making the call, Trade and Industry Minister Datin Paduka Rafidah Aziz suggested that banks consider giving these industries and projects a “fast tract treatment” in all banking services, be it financing, credit services or other facilities.

The special treatment should also be extended to export-oriented projects which already have established markets, she said.

Speaking at a dinner to mark the 10th anniversary of the Institute of Banks Malaysia in Kuala Lumpur on Sunday, Datin Paduka Rafidah said it is essential for banks to formulate international operational guidelines that can help coordinate their planning with the national industrial policy and the Industrial Master Plan.

The minister said the Government, in its attempt to promote economic growth, has been providing investment incentives to the private sector, and relaxing and reviewing the investment guidelines in the manufacturing and industrial sector as a whole.

On the banks' part, they have to understand fully this aspiration and identify the best and effective role they can play.

The minister said as an institution that forms "one of the important economic pillars", the banks can influence the nation's economic growth. They have an important role in supplementing and complementing government efforts and the private sector, especially in providing funds.

By virtue of this close relationship, there has to be coordination and harmony between the banks' and the nation's policies at all times. This is essential if the banks are to react and respond quickly to the latest environment brought about by the Government's policies.

In other words, Datin Paduka Rafidah said, the banks must be prepared to formulate new and effective approaches from time to time. Such attitude will make them more flexible and sensitive to current needs.

Take the economic recession in recent years, for example, during which banks were urged time and again to find new approaches in dealing with borrowers who are in trouble due to the effects of economic slowdown. The minister said approaches that banks used to adopt during better times are no longer applicable.

She added that modifications to the earlier approaches can be done without having to sacrifice the basic principles of the banking industry. On the contrary, banks can still be trustworthy, honest, and prudent in their management and continue to be answerable to the depositors.

/09599

**Paper Calls for More Trade, Ventures**  
42000098a Kuala Lumpur BUSINESS TIMES in  
English 6 Nov 87 p 8

[Text] The economic recovery may be underway but whether it will be sustained and in fact built upon and the direction in which it will take will depend largely on how well it is managed in the months ahead. The 1988 Budget announced last month rightly attempted to address some of these issues but whether they are sufficient to attract new investments and boost trade remains

to be seen. It is clear that the economic fortunes of the country necessarily hang on these two factors since fortuitous occurrences like the recovery in commodity prices cannot be relied upon for long-term economic growth. To help attain the objectives of industrial and trade promotion, the Budget has abolished the excess profits tax of 3 percent, extended the reinvestment allowance to 1990 and increased the quantum of the allowance from 25 percent to 40 percent. Some promise seems in prospect that a drop in the corporate tax rate may be in the offing since it has been confirmed that a review of the tax structure is being conducted. On the other hand, extraneous factors such as the recent collapse of the stockmarkets worldwide could undermine economic objectives and ways must be found to counteract them.

It comes as no surprise, therefore, that the Trade and Industry Ministry has given priority to activities promoting industrialisation and external trade. It has been given a budget of \$29.8 million in 1988 to promote trade, up by about 8 percent from the figure this year. Efforts will be directed both at increasing exports to existing markets and at identifying potential new markets. The Malaysian Industrial Development Authority will also have its budget increased by about 5 percent to \$22.9 million next year. Particular emphasis will be placed on resource-based industries and those involved in engineering, food and beverage, chemicals, electrical and electronics, building materials and textiles. The decision of the Government announced earlier this week that all representative offices of government agencies overseas will be brought directly under the embassy, High Commission or consulate in the overseas location will ensure that Mida offices will be better able to coordinate their activities with the other relevant officials in the area where they are located. This would minimise instances of duplication of functions, competition, lack of cooperation and underutilisation of manpower and other facilities which have often hampered the work of the officials involved.

Only by making decisive, coordinated and well-directed moves to attract investments and boost trade can the country ensure its economic well-being in the years ahead. Malaysia has made a commendable effort in attracting some \$276.6 million worth of Japanese investments over the past year but the momentum must be maintained. It is well-known that Japanese investors are relocating their operations in droves on the back of the rising yen but Malaysia will have to compete with many countries seeking to welcome them with a clutch of incentives. Besides the Japanese, new foreign investors are emerging in the region. The Taiwanese are keen to relocate while the South Koreans, with their strong reserves and relaxed foreign exchange rules, have expressed more interest in moving abroad. If the economic recovery is properly managed, the benefit to the country will be felt through the years ahead. The moves that have been made are in the right direction and it is hoped the opportunities will be seized as they become evident.

/9738

**Minister Announces Objectives To Maintain Tin Production Record**

42000124a Kuala Lumpur NEW STRAITS TIMES in English 24 Nov 87 p 7

[Text] Malaysia plans to maintain its position as the biggest producer of tin in the world through being an efficient producer and a major exporter of tin-based products.

Deputy Primary Industries Minister Alias Ali said it was the Government's policy that Malaysia should not only become an efficient producer of tin, but a major exporter of tin-based products.

"If these two objectives are achieved, then Malaysia will be able to remain the biggest producer of tin in the world," he told Haji Abdul Rahman (BN-Marang).

Haji Abdul Rahman had asked the Primary Industries Ministry to explain the latest situation in the tin industry and the various steps taken by the Government to safeguard the industry which suffered a setback following the fall in tin prices.

Encik Alias said the Government had always supported various efforts to promote downstream activities which could increase the use of tin both at national and international levels.

Under the Industrial Master Plan, said Encik Alias, tin-processing activities had been included under the category of non-ferrous metals.

"The Government has decided to expedite the activities of this industry as a means to getting higher value-added especially for export in the world market."

Encik Alias said the Government had also identified soldering, pewterware, tin-plating and the tin-chemicals industries for further expansion.

To help develop these industries, he said, several incentives were introduced by the Government under the Investment Incentives Act, 1986. "They include the Investment Tax Allowances Scheme," he added.

To a supplementary question from Haji Abdul Rahman, Encik Alias said Malaysia had thus far remained the biggest producer of tin although its production had dropped.

Its production fell to 29,130 tonnes last year from 59,938 tonnes in 1981.

He said the fall in production was due to control of tin exports enforced by the International Tin Council.

"The export control had also caused the closure of many tin mines in the country."

The Malaysian Government had also introduced the soft loan scheme since the middle of last year as an effort to help revive and maintain the position of the tin industry.

/06662

**Petronas Wants Investors for Deepwater Exploration**

42000124b Kuala Lumpur BUSINESS TIMES in English 22 Nov 87 p 2

[Article by Joe Chan: "Petronas To Review PSC Terms"]

[Text] Petronas is to review the terms of its production sharing contract (PSC) again to provide better terms and conditions for exploration of the deepwater area. Malaysia's deepwater area covers some 100,000 sq km which may be rich in hydrocarbon and which as yet has not been contracted out.

In announcing the review Petronas chairman Raja Tan Sri Mohar Raja Badiozaman said: "I would like to invite oil companies especially those that have the technology and expertise in deepwater exploration to look at these areas and inspect our data."

Malaysia's moves to "sweeten" further its PSC is seen as a pragmatic move as deepwater exploration is more hazardous, risky and requires much larger investment.

Despite the increasing interest by oil companies to invest their funds in the Malaysian oil and gas industry, the authorities have realised that unless the terms to the contractors are "sweetened" further the attraction may be short-lived. This is all the more as some of Malaysia's neighbours have reviewed and are revising their PSC terms.

Since the last review of the PSC terms in December 1985, Petronas has signed 10 letters of intent and converted six of these into PSCs. It expects to sign one more PSC before the end of the year and another three early next year.

In contrast, only five PSCs were signed in total since the national oil corporation was set up in 1974 until the improved terms were announced in December 1985.

Under the "new terms" announced by Finance Minister Daim Zainuddin on December 5, 1985 the percentage allowed for cost recovery has been increased to 50 per cent (previously 30 per cent) of gross production of crude oil and 60 per cent (previously 35 per cent) of sales of natural gas.

This, the Government argued, will allow contractors speedier recovery of capital costs incurred and should act as an incentive.

The profit oil split was also adjusted to ensure adequate return to the contractor, especially in those cases where smaller reserves are discovered. The formula, on a sliding scale, is based on average daily production. The profit oil split for the first 10,000 barrels per day (bpd) of production will be in the ratio of 50:50 between Petronas and the contractor.

As for natural gas, all profit gas is to be split 50:50 for the first two trillion standard cubic feet of natural gas produced and sold from the contract area, following which it will be split 70:30 in favour of Petronas.

As a further incentive for oil companies to invest in Malaysia, the Government decided to waive all bonus payments. It was also hoped that the elimination of signature, discovery and production bonuses will result in increased exploration work commitments from the contractors.

Despite these changes and relaxations on the part of the Malaysian Government there are still allegations that Malaysia's PSC terms are "among the world's toughest".

Chairman, Esso Companies in Malaysia, Mr Charles D. Roxburgh, who assumed his first overseas posting in Malaysia in May 15 this year, is reported to have said that he found the terms and other Government measures the toughest when considering other places in which Exxon, Esso's parent company, operates.

He told Esso's in-hour publication "Esso in Malaysia" that imposed production restrictions and increased taxes such as the export duty have considerably reduced and delayed income which Esso was counting on at the time it made the decision to invest in Malaysia.

Former Esso chairman Mr Gerald F. Cox said that the country's taxes, duties and other payments are among the world's highest and that this could seriously affect investment in the oil industry.

But it has been pointed out that there are other factors taken into account by investors, be they oil companies or other manufacturing concerns, before a decision to invest is finalised.

These include political stability and the consistency in policies over a period of time. Obviously the terms of Malaysia's PSC are attractive enough for oil companies.

Not only has Petronas signed more PSCs in the short span of about 20 months since the last revision, but interested contractors have come from different countries including Australia, Italy, South Korea and Japan. Previously they were mainly from the US. Obviously, the benefits outnumber the "drawbacks" for the discerning investor.

However, the "more attractive" terms promised are unlikely to be announced in the very near future. Careful scrutiny of the effects on Malaysia's economy must be given the highest priority, as any change will affect the country's revenues significantly.

Petronas has clearly given this some thought before it announced that the incentives are on their way. Even half a per cent cut in royalty or taxes will result in millions of ringgit in revenue foregone.

Petronas also has to carry out long technical studies on areas where incentives can be offered. In summary, it has to come out with a set of incentives that pleases the Government, Petronas, and most importantly, the contractors—the foreign oil companies, some of which have an annual turnover that is bigger than Malaysia's budget.

/06662

#### **Elimination of Racial Polarization in Universities Urged**

42050004c Kuala Lumpur NANYANG SIANG PAO  
in Chinese 27 Sep 87 p 2

[Editorial: "Wipe Out Racial Polarization Phenomenon in Universities"]

[Text] Deputy Prime Minister Ghafar Baba divulged that, together with Education Minister Anwar Ibrahim, he will summon all university vice chancellors throughout the country for discussions on how to minimize and eradicate all phenomena of racial polarization in universities. He believes that racial polarization in our middle and primary schools is not striking, but the problem in universities is relatively serious which needs a speedy solution before it spreads like a contagious disease.

The problem of increasing racism existing in our colleges and universities has been talked about for several years now. The government and university authorities are aware of the existence of this problem, but apparently nobody has made a serious effort to study and resolve it. Therefore we heartily welcome the deputy prime minister's talk and interest in this issue the other day, especially his intention to carry out a systematic study of it with high-ranking university authorities in the hope of seeking a plan for solution.

There is no denying that racial problems have always existed in this multinational, multicultural country of ours. Just as pointed out by the deputy prime minister, the problem of racism is, to our country, an aftereffect of

the "divide and rule" policy practiced during the British colonial rule. Consequently, after independence, Malaysia regarded the job of uniting all nationalities as an important task. However, it is deplorable that after 30 years of independence, racism still exists in our country, and in some areas the conditions have become aggravated. Some persons have pointed out that students of various nationalities in universities do not communicate with each other, and this phenomenon appears getting from bad to worse.

It is incumbent upon the government to pay attention to this phenomenon, find out the causes and treat it thoroughly until the scourge is eradicated. Theoretically, the student body should be living in harmony and with mutual understanding, as they pursue their studies through one common medium of teaching in classrooms and live a common life on campus. Yet the true situation as reflected by the universities shows that most of the students congregate among their own ethnic group, while only a few of them mingle with schoolmates of other nationalities. Some incidents involving racial prejudice have even broken out on campus, such as intolerable harassment by a certain group against the cultural activities of other groups.

Why can such phenomena happen in our universities? Is this an indication that there is something amiss with our education system? or is it because of inappropriate administrative policies on the part of university authorities?

At minimum, it shows that using a common medium language of teaching under a common roof by no means guarantees unity among the students. As a corollary, the harmony of various primary school pupils is not adversely affected by the use of differing mediums of teaching in various mainstream schools; as a matter of fact, they mingle like members of the same family. It is therefore not difficult to deduce that racial polarization in universities, and even in middle schools, is indeed under the influence of some other factors.

In reality, schools are a microcosm of society, and is inseparable from the outside world. Imagine what would happen if everybody in society persists in one's old ways no matter what others say, or if a university student pays attention to his or her own moral uplift without thought of others. What the public expects of university students is, of course, that they play their proper role above the hedge of racism on the strength of their learning, discerning power and independent thought; they should get rid of their racist shackles and create a new world in a new racial relationship. If university students stick to their ideas of racism, they would create an unfortunate influence on society, because they are the future leaders of our country and their public conduct will have an impact on society for better or for worse.

While welcoming the government's attention on the problem of racial polarization in universities, we believe that the government and university authorities should launch an investigation about the true conditions in university campuses to obtain an accurate statistics on student life and on the real reasons for the mutual isolation among various racial groups.

Apart from sociological factors, there are of course other reasons that have influenced the racial polarization among the students, and it would be wise to listen to their inner voices. At the present stage, no matter whether or not the students are restive or dissatisfied, we hope that students of various nationalities can improve their interrelationship and narrow the racial gap and then, in coordination of the reform and efforts of university authorities, eliminate the racial polarization in universities.

9300/7310

#### **UMNO Youth's Appeal To End Abdul Rahman College Subsidy Deplored**

*42050005a Kuala Lumpur NANYANG SIANG PAO  
in Chinese 30 Sep 87 p 3*

[Editorial: "Controversy Over Abdul Rahman College"]

[Text] Abdul Rahman College was formally founded and opened on 24 February, 1986 with an initial enrollment of 349 students (223 with senior level diplomas and 126 with school certificates). After expansion, it has a student body of more than 7,000 today and, in addition to its original university preparatory courses, it has added commercial, arts and craft, and science departments. Up to now, the college has cultivated more than 40,000 talents for the country and, no matter how you look at it, it has made contributions to the country and people, and it deserves our vigorous support.

However, it is deplorable that the Youth Wing of the United Malays National Organization [UMNO], in its educational conference the other day, unexpectedly adopted a resolution urging the government to withdraw its subsidy and other financial aid to Abdul Rahman College on the ground that the guiding principle for running this college "runs counter" to the nation's education policy. Such groundless resolution, totally disregarding the feelings of other nationalities, plus the habitual, opinionated public remarks made by Fahmi Ibrahim (the director of UMNO Youth Wing's Education Bureau), has unavoidably added fuel to the controversy on sensitive problems happening in our country.

The challenge by UMNO's Youth Wing on the question of Abdul Rahman College, and its reaction by the Youth Wing of the Malaysian Chinese Association [MCA], constitute the beginning of this controversy. In fact, Prime Minister Datuk Sri Dr Mahathir and other government leaders, worried that the warming-up of this

controversy might affect interracial relations and political stability, have appealed to National Front member party leaders and the public in general to refrain from churning up this issue. Now the UMNO Youth Wing and the behavior of its leaders not only have violated their party discipline and ignored the instructions of their top leaders, but also revealed their disregard for the multi-racial fact of our country and the rights and feelings of other nationalities.

After it was founded, Abdul Rahman College indeed has taken care of the educational needs of part of non-Malay students, but this does not in any way affect Malay students' opportunities for study, because, apart from places reserved for them in local universities, Malay students are also sent abroad in large numbers by the government, not to mention the Mara Institute of Technology which was specially established for them. It was after the government had rejected the Chinese community's request to establish Independence University, and in consideration of the need for more study opportunities for non-Malay students, that it agreed to let the MCA establish Abdul Rahman College and to defray half of the school's expenditures.

As a matter of fact, Abdul Rahman College is open to students of all nationalities, and its guiding principles and language medium of teaching coincide with government policies. Its administration abides by the statute promulgated in September 1972 by the then education minister Tun Hussein Onn, and its board of administrators also includes five representatives from the Education Ministry and another one from the Finance Ministry. At a ceremony to bestow the administrative statute to the school authorities, Tun Hussein Onn stressed that while supporting a certain racial group in education, the government must not restrict or deprive other nationalities of opportunities to receive education, and indication that the government at the time already recognized the position of Abdul Rahman College in our educational field.

It cannot be denied that at the early stage of this college and in some UMNO gatherings, voices of opposition were heard, but they were nothing more than the opinion of certain extremist elements. But this is the first time that UMNO's Youth Wing publicly resolved to ask the government not only to halt all financial assistance, but also to consider the justification for the existence of Abdul Rahman College. The resolution not only reflects UMNO Youth Wing's narrow-mindedness, but also its disregard for the rights and interests of other nationalities. This virtually is a haughty stance with a willful intention of fabricating an incident.

If UMNO Youth Wing's overbearing attitude is not curbed, there will be no peace in our racial dispute. To the National Front government, Abdul Rahman College really has its *raison d'être* and it was founded in conformity with the policy of the government. By now it has

nurtured many talents for our country, supplied the public demand for technical and semiprofessional resources and trained pre-university students for the furtherance of their studies.

Its contribution to society and country is there for all to see, which cannot be wiped out by narrow-mindedness and shortsightedness. The government must firmly reject UMNO Youth Wing's unreasonable trouble-making to prove its true intentions of blocking all circles who incite racial issues.

9300/7310

**Gerakan Official: Abdul Rahman College Deserves Subsidy**

*42050005c Selangor SIN CHEW JIT POH MALAYSIA in Chinese 1 Oct 87 p 3*

[Text] Dr Lim Chuan Seng, secretary of the Malaysian People's Movement [Gerakan] in Selangor state, said today that although Abdul Rahman College is financially supported by the Malaysian Chinese Association [MCA], it is an academy for the Chinese nationals, so it deserves a subsidy from the government.

He told reporters that to the Chinese people, education is extremely important, but due to the quota system existing in our universities, many ethnic-Chinese students cannot enroll in them and they have to go to Abdul Rahman College for further studies.

Dr Lim pointed out that the government has already been vigorously supporting the Malays' education, so it should not curtail further the Chinese study opportunities in our colleges and universities.

He said, "Especially when the economy is slack, many people cannot afford to go abroad, so local universities provide the only place to further their studies."

Dr Lim expressed hope that politicians would stop utilizing educational problems to incite the feelings of the Chinese, for this would affect national unity.

He said that a language is important, but national unity is more important.

He said, "If the government wants to encourage national unity, it must treat all the people fairly, because true unity cannot be established on an unequal footing."

He believes that several leaders of the United Malays National Organization [UMNO] are playing with racial issues in order to enhance their position in the party, and this is indeed a serious defect of racist politics.

He appealed to the public in general, regardless of race, to handle the problems affecting society and the people.

09300/7310

**Chinese-Language Press Comments on Teachers Controversy**

**SIN CHEW Editorial**

42050006 Selangor *SIN CHEW JIT POH MALAYSIA*  
in Chinese 1 Oct 87 p 21

[Editorial: "Appointments of Non-Mandarin Speaking Teachers Rejected"]

[Text] It is no longer fresh news that Education Bureaus in several states have assigned non-Mandarin speaking teachers to important positions in Chinese primary schools. In reality, this is a disgusting and deplorable event which should not have happened in the first place.

However, this event recurred in several states recently. The problem has eased down somewhat by virtue of the supple attitude of several education bureaus toward Chinese community's reaction; on the other hand, some other education bureaus hardened their stance, refusing to rescind their order. If we analyse the situation by past experience, we learn that the lenient attitude shown by some education bureaus does not mean that the problem can be solved once and for all, as proven by the recurrence of the event and the obstinacy of certain education bureaus.

To the teachers and Chinese primary schools concerned, sending teachers who are ignorant of the Chinese language to such schools is an insult. For, from the education viewpoint, it is impractical to send a teacher to a school the teaching medium of which is completely strange to the said teacher, much less to work there as an administrator. Of course, this does not apply to teachers of Malay or English. This would not only bring difficulties to the teachers concerned, but also cause trouble to the schools. Theoretically, the responsible people at the education bureaus must know about school education and some basic educational principles, and there is no reason for them to be ignorant of these rudiments. If they thought hard, they would appreciate the adverse reaction of national primary schools to the presence of teachers and administrators who are ignorant of the Malay language. By the same token, they should think twice or thrice before dispatching non-Mandarin speaking teachers to Chinese primary schools.

Malacca state Education Bureau Chief Gazali provided the following reason in self-defense for his firm refusal to revoke his order of sending non-Mandarin speaking teachers to Chinese primary schools: Among qualified Chinese school teachers, only a few applied for promotion, so, to fill the gap, it was decided to assign non-Mandarin speaking teachers there. This, of course, is a plausible reason, but it does not automatically follow that it is all right to dispatch non-Mandarin speaking teachers to assume important duties there.

According to our understanding, the reason Chinese primary school teachers are reluctant to apply for promotion is that they feel they are harassed during oral tests on language and literature. Most Chinese school teachers are no match for English and Malay language teachers in their mastering of the two languages; this is understandable. The point is that these teachers did not apply for promotion as English or Malay language teachers but to hold more important posts in Chinese schools. Therefore the main criteria to evaluate them is their knowledge of the Chinese language and their work capabilities. This should be the correct, realistic way of doing things.

In recent years, due to the continual occurrences of assigning non-Mandarin speaking teachers to Chinese primary schools, the Chinese community has the distinct impression that this is a way of "nibbling" the Chinese education system and, if not curbed, it will change the characteristics of Chinese schools. If the authorities believe that the Chinese community's thinking does not coincide with the facts, they should solve the problem once and for all in order to get rid of Chinese society's worries. Won See Chin, who represents ethnic Chinese and concurrently holds the post of vice minister of education, has the responsibility and obligation to do his utmost in curbing similar happenings.

In our country, coexistence and unity and cooperation among all nationalities is of the greatest importance. Government officials in various departments should take this premise to heart and make contributions to country and people by handling the problems of various nationalities' fundamental rights in a tolerant and correct attitude.

**NANYANG Editorial**

42050006 Kuala Lumpur *NANYANG SIAN PAO*  
in Chinese 6 Oct 87 p 2

[Editorial: "Chinese Society's Aspirations Should Not Be Ignored"]

[Text] Incidents have been happening one after the other in many states about non-Mandarin speaking teachers being assigned to Chinese primary schools, protests are being heard everywhere. The latest development is that three Chinese-based major political parties have joined hands and scored a breakthrough by combining their efforts with Chinese civic organizations to safeguard the substantive characteristics of Chinese primary schools.

The strongest protests came from Selangor, Kuala Lumpur and Malacca states, where three Chinese primary school organizations held a protest meeting in Kuala Lumpur, firmly requesting the Education Ministry to solve the problem within 2 weeks, or else they would mobilize all Chinese primary schools in the country to stage a students' strike. Four Chinese mass organizations in Malacca also held similar rallies, at which they set up

an Action Committee comprising all Malacca civic organizations, the MCA, Gerakan and DAP parties to negotiate with the authorities for fulfillment of their reasonable demands. By expansion, 15 Chinese organizations nationwide planned to hold a conference soon to discuss the problem and coordinate their action with ethnic-Chinese political parties.

It is noteworthy that the MCA, Gerakan and DAP are prepared and willing to bury their political differences and join hands for the sake of the national education issue. While the cooperation is limited to the state level, this might be regarded as a praiseworthy breakthrough. DAP Secretary General Lim Kit Siang proposed that a "Three Lims" Committee with his namesake leaders of the MCA and Gerakan be formed to safeguard the true nature of Chinese primary schools. If his proposal can get a positive response from the other two parties, it is believed that their combined effort can achieve a better effect in defending the interests of Chinese education.

We once pointed out that it is neither reasonable nor workable, in theory or in practice, to assign non-Mandarin speaking teachers to take charge of administrative affairs in Chinese schools. Not only would such teachers hinder the administration and efficiency of the schools concerned, but also spoil the schools' instruction and development. At present, when the development of Chinese education is faced with numerous irregularities and restrictions, it is understandable that Chinese society might be suffering hidden worries caused by the repercussions and aftermath of assigning non-Mandarin speaking teachers to Chinese primary schools. Datuk Dr Ling Liang Sik, president of the Malaysian Chinese Association [MCA] has bluntly pointed out that these appointments indeed constitute a violation of the National Front's electioneering promise in 1986 that there will be no change to the existing characteristics of Chinese-language and Tamil-language schools.

The Chinese community's objection to dispatching non-Mandarin educated teachers to take up appointments in Chinese schools is purely based on the principle of safeguarding the nature of Chinese primary schools. The objection is directed at the problem itself, and not against the individuals concerned. As to the qualifications of the promoted teachers (quite apart from their controversial knowledge of the Chinese language), we have no doubt about them or their dedication to education. While we sympathize with the perplexed teachers concerned, we think that all this was the doing of the education authorities who should appreciate the reactions of Chinese school teachers and trustees and the parents. It stands to reason for us to request the Education Bureau to make reasonable appointments anew, for the sake of seeking more appropriate working conditions.

Both Education Minister Anwar Ibrahim and Prime Minister Dr Mahathir have made comments on the controversy, but in tone and attitude there is a difference

between the two personages. Up to now, it is deplorable that Anwar's attitude remains adamant, firmly refusing to rescind the appointments concerned. On the other hand, the prime minister has indicated that the authorities will study the protests arising from the appointments of teachers, an indication that the door for compromise is still open.

Ours is a democratic country, and all actions and decisions must be based on the people's will. The authorities cannot afford to ignore the dissatisfied feelings and mounting serious protests caused by the appointments of non-Mandarin speaking teachers to Chinese primary schools.

We hope that the authorities will respect the Chinese community's sentiments and aspirations, and make an appropriate adjustment as soon as possible to the deviation in appointing non-Mandarin speaking teachers to work in Chinese primary schools. At the same time, we hope they will, through consultation and negotiation with mass organizations of the Chinese community, seek a reasonable and lasting solution to soothe the people's hearts and to guarantee that the government has no intention of changing the characteristics of Chinese primary schools.

#### SIN CHEW Editorial

42050006 Selangor SIN CHEW JIT POH MALAYSIA  
in Chinese 15 Oct 87 p 27

[Editorial: "UMNO Youth Should Not Interfere With the Problem of Appointments of Chinese Primary School Teachers"]

[Text] Because the Education Ministry did not take vigorous steps to solve it, plus the meddling by UMNO's Youth Wing, the problem of appointing non-Mandarin speaking teachers to work in Chinese primary schools has become more complicated, chaotic and acute. This is really a most unfortunate and deplorable thing!

UMNO's Youth Wing has summoned all its branches and all Malay civic organizations to attend a mass meeting scheduled for the 17th of this month, aimed at confronting the protest meeting convened by Chinese civic organizations and political parties. Commenting on this confrontation, a number of Chinese leaders have expressed their views, including Lim Fong Seng, president of the Federation of Chinese School Trustees; Loke Teng Giok, vice president of the Federation of Chinese School Teachers; Yap Pian Hong, leader of MCA's Youth Wing; Loke Yin You, member of MCA Central Committee and Lim Kit Siang, secretary general of the Democratic Action Party.

Mr Lim Fong Seng pointed out in his speech that the Chinese protest was based on truth, and therefore will not surrender to UMNO's counterblows. The Chinese do not want a confrontation with the UMNO, but what they

want is that the National Front government keep its election campaign promise of safeguarding the characteristics of Chinese and Indian primary schools.

Mr Loke Teng Giok believes that UMNO Youth Wing's interference in the Chinese primary school incident is based on blind sentiment without discerning right from wrong, and this could lead to a racial dispute. The UMNO Youth Wing and Anwar must bear all consequences.

Both Yap Pian Hong and Lim Kit Siang held that the UMNO Youth Wing conduct is irresponsible, while Loke Yin You reminded UMNO leaders against flaunting its power and overwhelming others with fear.

In all fairness, the Chinese community has always requested the government to accept their good advice on grounds that this problem could eventually lead to the character transformation of Chinese primary schools and that this unreasonable mistake be rectified in order to conform to the National Front's electioneering promise and to the aspirations of Chinese society.

In fighting for their due rights, the Chinese always do it through democratic and peaceful channels. Consequently, no matter from whichever viewpoint, their work style will never hurt the dignity and position of any nationality in the country, including that of the UMNO Youth Wing. Under normal and fair conditions, this problem should not have evoked enough ire of the UMNO Youth Wing to stage a mass rally that will "fill the grassy field of the Sutan Sulaiman Club in Kuala Lumpur" to show off its strength to the public. A pair of shoes cannot be worn as a hat, nor a jacket as a pair of trousers. We hope that UMNO Youth Wing leaders will clearly see the true substance of the problem.

Malaysia is a multinational, multicultural and multireligion nation. The Malay, Chinese and Indian races have lived and died in this country for hundreds of years. In the past, these three great nationalities fought shoulder to shoulder against foreign invasions and struggle toward independence of the nation, sharing alike all trials and tribulations. At present, we have become independent for 30 years, and during this period the Malays, Chinese and Indians experienced a new historic stage. Due to historical factors, the Malays were relatively backward in the economic field, and the Chinese have accorded support for all plans and programs which aim at the promotion of the economy for the Malay race, on the basis of national interest and unity. Today, the Malay people have a complete education system from the primary schools through the middle schools to the universities. Why is it that the spirited UMNO Youth Wing finds it intolerable seeing the Chinese efforts to safeguard their national education, and especially the most fundamental primary education?

"Language is the soul of a people." This is a universally-accepted truth. It is right and proper for the UMNO to love its own national language. By the same reasoning, it is an unalterable principle for the Japanese, Arab and Ukrainian peoples to love their respective languages. Therefore, if the Chinese love their own national language, it is also right and proper, entirely correct. We earnestly hope that the UMNO Youth Wing will deal with the problem in a cool and calm attitude in order to safeguard national harmony and unity in our country.

#### SIANG PAO Editorial

42050006 Kuala Lumpur NANYANG SIANG PAO  
in Chinese 16 Oct 87 p 2

[Editorial: "Cabinet Takes Over Handling of Chinese Primary Schools Controversy"]

[Text] At its regular meeting the day before yesterday, the cabinet resolved to form a ministerial high-level commission to examine the Education Ministry's policy of appointing teachers without Chinese-language qualifications to assume senior duties in Chinese primary schools. This move has greatly eased the tensions caused by this controversy. On the same day, Chinese civic organizations and political parties nationwide also held emergency meetings twice and finally resolved to appeal to all schools concerned to postpone indefinitely their planned students' strike. This represents a positive reaction to the government's decision.

A cabinet statement, announced by Deputy Prime Minister Ghafar Baba, made no mention about the time limit or formula on how to solve the problem; it merely stipulated the commission's task in a vague general way. However, it is significant in that the cabinet decision indicates that the government by no means neglects the aspirations of Chinese society and that it is seeking a solution according to proper channels and the conventional way of doing things. As a matter of fact, at the present stage the government can only take such intangible but clearly sincere attitude in trying to solve the problem.

This attitude of goodwill of the government has been accepted by the Chinese community as a whole, because cabinet members representing the MCA and the Gerakan parties have obtained a tacit understanding that the government would devise an all-embracing solution to the problem before the end of this year. And the two ministers, Lee Kim Sai and Lim Keng Yaik, have also made corresponding promises to the Combined Action Committee of Chinese civic organizations and political parties. Chinese leaders realize that they must hold firm to basic principles and that as long as the government sets in motion the proper processes and procedures to solve the problem, Chinese organizations are willing to avoid staging a demonstration or other irritating acts.

The decision to cancel the students' strike was made by the Combined Action Committee on that very evening, but due to lack of time and communication problems in passing along the news, school attendance in certain schools the next morning was affected. Chinese organizations in Malacca were the first to follow the lead, but others in Penang wanted to cancel the students' strike but couldn't. Parents already made the necessary preparations to cope with the strike, and if they could not change their plans at short notice, it was quite understandable. It is believed that everything will return to normal in a couple of days. The police behaved with considerable restraint, and policemen who showed up at schoolgrounds merely maintained and supervised order.

We are relieved about the calm atmosphere prevailing in various cities yesterday and at the same time we hope the police will continue to maintain public order and to be on the alert for unwanted contingencies in or around schools. The Youth Wing of the United Malays National Organization [UMNO] is scheduled to hold a counter-protest meeting tomorrow; as it is predicted that tense feelings may flare up, the police should also enhance their alertness so the mass rally will not endanger public safety and order.

UMNO Youth Wing's planned counterprotests meeting is simply unreasonable devilry, like dispatching troops without just cause. Although its leaders claimed that the mass rally "is not meant to sabotage national tranquility," yet they would be held responsible if the situation were to get out of control. They harbored political motives when they distorted the aims and purposes of Chinese organizations' series of action taken in protest against the appointments of non-Mandarin teachers to work in Chinese primary schools. A Civil Rights Committee organized by Chinese organizations has issued a statement denouncing UMNO Youth Wing for politicizing and racializing the problem. The Chinese Combined Action Committee has also clarified that its protest action was merely aimed at the Education Ministry's inappropriate appointments in the teachers controversy, and "it has entirely nothing to do with interracial problem or the question of honor of the UMNO and the Malay race."

This teacher controversy is absolutely not a problem that is unsolvable. The main principle is that the Chinese community believes that if the policy is not rectified, it may usher in a transformation of the characteristics of Chinese primary schools. Now that the National Front government has already promised not to change the system of Chinese primary schools, it may be said that there is no conflict in standpoint between both sides. Consequently, the crux for solving the controversy is purely a question of educational administration. On this score, the authorities should, in the long run, rely on the wishes of Chinese school teachers and trustees, parents and the entire Chinese community. Now, as the cabinet top-level commission has taken over the case, let all quarters be patient enough to give this commission a chance to complete its task.

9300/7310

**Religious Knowledge Urged in Education System**  
*42000100b Kuala Lumpur NEW STRAITS TIMES in English 10 Nov 87 p 2*

[Passages in italics as published]

[Text] Kuala Lumpur, Mon.—The Malaysian education system should emphasise moral teaching especially religious knowledge, Welfare Minister Mustaffa Mohammad said today.

He said this would help develop a Malaysian society with a higher degree of resilience.

"Thus, the approach of our educational system shouldn't be purely academic," said Encik Mustaffa at the narration and forum on *A Day in Memory of Aminuddin Baki* here.

"More emphasis should be given on moral teachings and religious education."

Encik Mustaffa said if the Malaysian society was equipped with good moral and religious background, they would be more resilient.

He stressed the need for the education system to change with the times to meet the needs of the changing world.

The one-day forum on the late Education Director General Aminuddin Baki was aimed at collecting information on his contributions to the country's educational development.

Encik Aminuddin was the first chief advisor of education.

Former Minister Tan Sri Muhammad Khir Johari and Datuk Lokman Musa are two of the four panel members taking part in the narration series chaired by Associate Prof Datuk Nik Abdul Rashid Nik Abdul Majid from Universiti Malaya.

Some 200 guests including academicians, university lecturers, historical society members, teachers and students attended the opening ceremony.

/09599

**Unemployment Rate To Hit 9.4 Percent**  
*42000100c Kuala Lumpur NEW STRAITS TIMES in English 10 Nov 87 p 3*

[Text] Kuala Lumpur, Mon.—The unemployment rate is expected to reach 9.4 per cent by next year and the Government is doing everything possible to counter the problem, said Minister in the Prime Minister's Department Datuk Dr Yusof Noor.

At the same time, however, the people should look at the unemployment situation positively—it could create a new way of thinking and life for Malaysians.

"The Government is doing everything in its power to overcome the unemployment situation by encouraging unemployed graduates to involve themselves in business," he said at the opening of a business course for civil servants today.

Datuk Dr Noor added that the Government, as the biggest employer in the country, could not create any more jobs in the public sector as it was trying to privatise a number of Government activities and departments.

"All this is an attempt to reduce the size of the public sector and to alleviate the government's financial burden and at the same time to give the private sector the opportunity to play an active role in the country's economic growth."

He said Malaysians should be sensitive to the present economic situation of the country, adding that the unemployed should grab any job opportunity that presented itself.

Datuk Dr Yusof also said the Government has given top priority to the development of small industries which would create more jobs.

He announced the implementation of a new information system for small industries.

All important data on small industries would be collected to enable the Government to identify those with export potential.

To date, information on 1,600 small industries has been collected, he said.

/09599

**Somare Denounces Deal Involving Alleged Murdani Funding**  
*42000103e Port Moresby PAPUA NEW GUINEA POST-COURIER in English 11 Nov 87 p 3*

[Article by Peter Kili: "Somare Says Murdani Deal Involved Treason"]

[Text] Opposition Leader Mr Somare alleged in Parliament yesterday that "high treason" was involved in a deal between "a senior PNG minister" and Indonesia's armed forces commander, General Benny Murdani.

Mr Somare demanded that Prime Minister Mr Wingti confirm or deny that PNG's sovereignty had been compromised internationally because the "incident took place at the time of the signing of the PNG-Indonesia Friendship and Cooperation Treaty and our national elections."

He asked Mr Wingti: "What form of protest does your Government intend to make to the Government of Indonesia over the actions of the military attache and General Murdani?"

Mr Somare accused the Government of being "a puppet regime operating on the whims of Jakarta," and asked: "In view of the implications of this high treason in this case, can the Prime Minister and his ministry resign?"

Mr Wingti was asked also whether he was aware of the exchange of funds between General Murdani and the Minister (an indirect reference to Central Province MP Ted Diro) at the time he set up the Commission into aspects of the forestry industry.

Mr Wingti replied that any exchange of money that may have occurred between the Minister and General Murdani was between them as individuals.

"This was not an exchange of money from the Indonesian Government—it was from Murdani as an individual," the Prime Minister said.

He denied being aware of the transaction when he set up the Forestry Inquiry, saying he became aware of it only when he was asked by Commissioner Mr Justice Barnett whether he considered evidence on the issue should be called in public or in private as a matter of national security.

He had asked that this evidence should be released to the inquiry *in camera*, he said, but the Commission had decided it was in the public interest.

The information that General Murdani had given US to help Mr Diro's People's Action Party's election campaign went before the inquiry on Monday, and reports in the papers yesterday morning sparked off the questions.

Many MPs raised supplementary questions but all were ruled out of order by the Speaker, Mr Akoka Doi, because the questions and answers were "already too close to the issue before the Forestry Inquiry."

"Parliament is very powerful and I do not want to influence the decision of the inquiry."

9365

**Deportation of Indonesian Military Attache Demanded**

*42000103f Port Moresby PAPUA NEW GUINEA POST-COURIER in English 13 Nov 87 p 2*

[Text] The Opposition is demanding the deportation of Indonesia's military attache based in Port Moresby.

This follows revelation by former minister Ted Diro that the diplomat carried almost 140,000 US dollars into the country from Singapore for Mr Diro's People's Action Party election campaign.

And the Opposition also wants the Government to protest "in the strongest" terms to Indonesia about the incident because the money was allegedly supplied by Indonesia's Armed Forces Commander, General Benny Murdani.

General Murdani has denied that the money was from him.

Opposition spokesman on foreign affairs matters Mr John Giheno told a news conference they viewed the acceptance of the money by Diro as comprising PNG's national security.

He also said that accepting of funds from foreign interests has its consequences and "Mr Diro knew about it."

The Government cannot regard the issue as friendship between Mr Diro and Gen Murdani.

Mr Diro struck up the deal when he was a minister of State and as such the incident should be viewed in that light, Mr Giheno said.

The incident was "the start of foreign influence getting into the country," Mr Giheno said.

He said good relations between countries could be maintained without accepting gifts.

The Diro incident had breached one of the articles of the Treaty of Friendship and Mutual Cooperation between PNG and Indonesia which states that no one from either side should interfere in the politics of the two countries.

9365

### Ted Diro's Resignation Hailed

#### Perjury Charges Pending

42000103c Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 9 Nov 87 p 1

[Article by Luke Sela, POST-COURIER editor: "Diro Resigns"]

[Text] Ted Diro, minister without portfolio, MP for Central and former Forests Minister, has resigned from Cabinet.

Mr Diro, facing three perjury charges in connection with his evidence to the Forestry Inquiry, called a news conference yesterday to announce his decision.

And the former Defence Force commander dismissed rumors that his departure from the National Executive Council might spark violence or even a coup attempt against the Government.

He said he held no grudge against Commissioner Mr Justice Barnett or Mr John Reeve, Counsel assisting the Commission of Inquiry which has led to his resignation.

"I have to do the right thing, to resign, because of the cloud of suspicion and guilt surrounding the inquiry," Mr Diro said.

"I have not been forced by the Prime Minister (Mr Wingti) or anyone else.

"It has been on my mind for some time to resign from Cabinet."

He said he would discuss the effective date of his resignation with Mr Wingti before 10 am today.

Responding to Mr Diro's announcement yesterday, Mr Wingti said he accepted the decision with great sadness.

"I deeply admire Mr Diro for the contribution he has made to this nation," Mr Wingti said. "More immediately, I am deeply conscious that it was his personal support that led the People's Action Party to join in the formation of the present Government.

"I have conveyed to him my gratitude for his past contribution."

Mr Diro said, "I am a very relieved man to have stepped down."

"I am a peaceful man who believes in the unity of PNG. But the events of the past couple of months have had implications leading to rumors of disobedience in the disciplined forces.

"The interest of an individual is not important. The interest of PNG is paramount."

He admitted that the past six months had been very difficult—"for me, for my family, for my supporters and for the MPs who support me in Parliament.

"It really has been an agonising six months."

He said he had briefed the Papua Block, People's Action Party, Papua Party and those independents who follow the bloc on his resignation, but there had been no planning so far as to who would lead his People's Action Party.

"That is up to the party to decide," Mr Diro said.

"We are happy with what we have at the moment. And considering that this is the first time the Papuan Bloc has had half the ministries, we must be happy.

"This of course has caused some dissatisfaction among other groups in Government.

"But we are happy right now."

#### Congratulated for Courage

42000103d Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 9 Nov 87 p 4

[Text] The Minister without portfolio, Mr Ted Diro, whose resignation has been brought about as the result of the timber inquiry, must be congratulated for his courage to do what he has done.

As he has aptly put it: "The interest of the individual is not important. The interest of PNG is paramount."

The events of the past six months certainly have not been easy on Mr Diro, his family, and his supporters. But as a leader, he has put his own interests, and those of his family and supporters, in the background.

He has set the example for all true leaders. It is a fine example and many other leaders should take note.

While Mr Diro is no longer in line for a true cabinet spot, we hope the events of the past six months would have taught him and other provincial people some lessons.

That experience should be invaluable to present and future leaders.

9365

#### Settlement of Pangu-Melanesian Alliance Rift

##### Urged

42000103b Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 5 Nov 87 p 4

[Text] Indications that Pangu and Melanesian Alliance parties have patched up their differences is good news for the nation.

Naturally, no one really wants to be in the Opposition. But in our style of democracy, it has become an accepted principle.

It is not a disgrace. In fact, the Opposition is an important part of our democratic system and plays a vital role in being a watchdog on the Government.

But for the Opposition to be effective, it must be strong and united. The events of the past week, resulting from the Pangu failure to be in the East Sepik Provincial Government, is certainly not helping the Opposition.

A weak Opposition leaves the door wide open for the Government to do what it wants. And that is the real danger that we must not allow to happen.

It must be avoided at all costs, because it will pave the way for a dictatorial type of government to creep in.

It is to be hoped that the rift between Pangu and Melanesian Alliance will be settled, and from here they will work together as an effective Opposition in the national interest.

9365

#### **Dismissal of Matiabe Praised**

*42000103g Port Moresby PAPUA NEW GUINEA POST-COURIER in English 13 Nov 87 p 4*

[Text] The Prime Minister, Mr Wingti, must be congratulated for dismissing acting Foreign Minister Mr Matiabe. It had to be done in the national interest.

Mr Matiabe made a fool of himself this week when he said it was normal for our political leaders to accept funds from foreign leaders.

This was not the first time that he has expressed a personal view, purportedly to be Government policy.

When the first military coup took place in Fiji last May, he went out of his way to tell the world PNG would recognize that military regime. As we know, this was contrary to stated Government policy at the time.

Foreign diplomacy is a sensitive and delicate matter. It must be handled with the utmost care. And no minister appointed to that portfolio can be allowed to express personal views that are contrary to Government policies.

Mr Matiabe's actions in the past, and this week, have clearly demonstrated that he is not the man for the job. Mr Wingti must find a new man before Mr Matiabe destroys our international reputation, if he has not already done so.

The new man appointed to this position must be told in no uncertain terms that his personal views must not be interpreted as government policy. And he must also be told to make it his business to learn what Government policies are.

The dismissal of Mr Matiabe from this sensitive post was in the national interest.

9365

#### **Comments on Somare's Resignation From Pangu**

##### **'Pressure' Reverts to Namaliu**

*42000103h Port Moresby PAPUA NEW GUINEA POST-COURIER in English 18 Nov 87 p 4*

[Text] They say that old soldiers never die...they just fade away. But is it the same story with politicians?

Michael Thomas Somare, the man who led this country through self government, and into independence, announced yesterday that he would be stepping down "early next year" as Opposition and Pangu leader.

That in itself is not a surprise. He has said in the past that he would get out of politics when he reached the age of 55. And that is next May.

But obviously, the scenario today is not quite what he had in mind. He confidently expected to win the last election, and then gracefully hand over the reins.

It was not to be. He lost out in the topsy-turvy numbers game after election results were posted.

As the Opposition, and Pangu, have steadily lost numbers, he has come under increasing pressure to step aside, especially from his No 2, Rabbie Namaliu.

But now that Mr Somare has made his intentions public, the pressure reverts to Mr Namaliu. Mr Namaliu's failure in the past few weeks to make a positive stand has lessened his credibility as a leader.

It just may be a little too early for one politician to fade away.

##### **Influential Role Expected To Continue**

*42000104 Port Moresby THE TIMES OF PAPUA NEW GUINEA in English 19-25 Nov 87 p 7*

[Commentary from the "THE TIMES Opinion" column: "Chief Remains Vital for Pangu Party"]

[Excerpt] "Pangu is my blood, soul and everything. It's like my family," Michael Thomas Somare, Parliament House, Waigani, November 17, 1987. It was with these words, and more, that Mr Somare the Chief announced this week that he would step down as leader of Pangu Party early next year.

Nobody would have guessed in the 1960s that a radio announcer from Murik Lakers would one day lead Papua New Guinea into independence.

It was in the mid-60s that Mr Somare with his contemporaries and Sir Ebia Olewale, Tony Voutas, Sir Maoiri Kiki, the late Oala Rarua and Sir Barry Holloway formed the Bully Beef Club and began agitating for self-determination.

Likewise, nobody knew before 10 am on Tuesday this week that the Chief would announce that he would step down as leader of a party he has led for about two decades.

In fact everyone, including his close aides and confidants, were taken unawares when Mr Somare announced that he would be retiring to the backbenches.

The sudden announcement is perhaps an indication that Mr Somare, who for years has talked about handing over the party leadership to a younger man, must have given his decision a lot of thought before coming out in public.

The Chief will not doubt later explain why he chose this week to make his announcement and not next year or 1992, when the next national election is due.

He still has a lot of support, both within Pangu and outside. Some of his supporters have already commented that an Opposition sponsored no-confidence motion against the government will have a better chance of success under Mr Somare than under his deputy Rabbie Namaliu.

Mr Somare's announcement came as a surprise also because he was just last week endorsed as party leader by the Pangu caucus. Many people have attributed the Chief's decision to the power struggle between himself and his deputy. Mr Somare has yet to confirm this, however, he did say that he wanted to see Pangu survive.

Whatever rift that may have existed between Mr Somare and Mr Namaliu yesterday appeared to be on the mend when both men sat together for some time in what observers described as a very cordial atmosphere in parliament discussing no doubt their party's future.

Even when Mr Somare steps down as party leader he will continue to play a very influential role in Pangu matters, until he chooses the best time to retire from what has been a very colourful public life.

When that day comes, a chapter in PNG's history will close.

#### Drought Getting Worse

42000103 Port Moresby PAPUA NEW GUINEA  
POST-COURIER in English 3 Nov 87 p 9

[Article by Oseah Philemon: "Help Sought as Drought Gets Worse"]

[Text] The National Government will be asked later this week to declare the whole of the Morobe Province a disaster zone.

The Department of Morobe Secretary, Vari Fore, said yesterday the extreme seriousness of the drought in the province called for urgent government help at national level because the province could not handle the situation on its own.

Field officers have confirmed that 138,000 people in 735 villages are seriously affected by drought which has hit the Morobe Province for the past six months.

A total of 48 community schools have been closed for the remainder of the school year and students sent home.

All other schools in the province are now operating on a "half-day" basis but are likely to close down unless the situation improves.

The Provincial Education Minister, Paul Kalau, will review the crisis in the drought affected areas later this week.

9365

**Priest Argues Against Economic Benefit of U.S. Bases**  
42000086a Cotabato City *THE MINDANAO CROSS* in English 19 Sep 87 pp 4,9

[By Fr. Eliseo R. Mercado, Jr., OMI]

[Text] It is a popular belief that the U.S. Bases in the country greatly help the economy by contributing to GNP, providing employment to Filipinos, and spurring business activity. It is also claimed that the base-related economic aid are very important for domestic economy and people's welfare.

The U.S. Embassy in Manila claims that the U.S. Bases "directly added some \$370 million to the Philippine economy in 1985, spending the equivalent of P20 million per day". It further claims that if indirect multiplier effects are taken into account, the U.S. Bases probably account for 3.5 percent to 4 percent of the Philippine Gross National Product.

Without further scrutiny and analysis, this popular belief is accepted as gospel truth. However, a closer look at the figures, as shown above, reveal that the bulk of U.S. Base spending is mainly for maintenance and repair, purchases of consumption goods, and the so-called "personnel on leave".

According to the study made by a famous Filipino political analyst, Dr. Alejandro Fernandez, "only a small fraction of American disbursements is absorbed into the Philippine economy as invisible income". The bases' appropriations for maintenance and repair do not entail contract servicing by Filipino firms. As a matter of fact, the much boasted claim of bases' employment is a myth. The bases actually employ less than one percent of the total Philippine non-agricultural labor force.

The same study shows that the purchases of consumption goods by base personnel do not directly contribute to an increase in Philippine production. Most of the purchases are made at tax-free PX Commissions. This explains why the U.S. Base spending does not directly contribute to an increase in the Philippine production.

What is directly spent in the country comes from the so-called "personnel on leave". "Personnel on leave" is a euphemism for expenses for entertainment and recreation services such as prostitution and the like. In Subic Naval Base, the total cost for this "personnel on leave" is much higher than the employment of Filipino workers.

In Olongapo City alone, the city records counted a total 563 rest and recreation establishments. 90 percent of these establishments comprise of only five types: night-clubs, beer-houses, hotels/motels, restaurants, and sauna-massage parlors. Of the total 9,000 registered rest and recreation workers, 67 percent are "hostesses".

The U.S. Embassy in Manila also makes much out of the base-related aid (not rentals—mind you!) that it extends to the country in exchange for the continued and unhampered use of the bases. From 1985 to 1989, Rambo Reagan has committed to exert his best effort to secure aid for the Philippines amounting to \$900 million. Close to one half of the amount or \$425 million is already earmarked for military purposes. Worse, of this total amount, only \$125 million is actual aid, because the other \$300 million is military sales credit.

The remaining \$475 million is for the economic aid under the so-called Economic Support Fund or ESP. Again to compound our woes, this ESP is not controlled by the Philippine government, but by the U.S. Agency for International Development or USAID.

How truly beneficial to the Philippines is the U.S. economic aid? A study published by the Center for International Policy based in Washington DC reveals that of the total U.S. economic aid to the country, only 22 percent is reaching the needy. The same study shows that "the rest went for tobacco loans, insurance for a Bank of America branch office, military aid to a country that Pentagon says faces no external threat, rural electrification priced out of reach of the rural poor, and balance of payment loans conditioned on the adoption of government policies that reduce the real wages for the poor".

From the foregoing, it is obvious that the U.S. bases' much publicised and crowed about economic contributions turn out to be insignificant if not harmful even from the point of view of sound and well-rounded economic growth and development.

/12913

**Editorial Compares, Contrasts Superpower 'Meddling'**  
42000086e Davao City *THE MINDANAO DAILY MIRROR* in English 28 Oct 87 p 2

[By Marietta P. Siongco]

[Text] It seems that the interference of foreign superpowers in the Philippines is worsening and becoming more brazen with each passing day.

There are reports of American officials and CIA agents assigned in this country trying to influence decisions of the personalities involved in the foiled August 28 coup.

Of course, US Ambassador Nicholas Platt denied that the American officials present at the two beleaguered military camps at the height of the coup were trying to influence the decisions of government troops out to assault the rebel soldiers led by Gringo Honasan.

Platt said they were only observing the events, perhaps to know which side to support in case one or the other were to lose or win.

The Americans also unabashedly bragged about their vital role in the 1986 EDSA Revolution which led to the ignominious downfall of then president Marcos from power.

On the other hand, reports are persistent about the presence of Russians acting as military advisers to the New People's Army in Mindanao and the Bicol region.

In fact, the Philippine Navy is right now on the alert for ten Russian submarines which will allegedly land arms for the insurgents. A news account quoting high-placed intelligence sources said the military is also investigating the reported funneling of funds from the Russian intelligence network to communist organizations, most of which allegedly belong to radical labor unions.

Some members of Congress are quick to fume and cry for the immediate investigation of the United States government's meddling, both past and present, in purely domestic affairs.

These same members of Congress want the Office of the President to conduct a similar investigation.

What is puzzling is why these officials also do not raise a similar uproar as regards the reports of Soviet interference and the landing of arms.

Is there a difference between American and Russian meddling? Or is the US meddling more threatening than the other brand of foreign super-power meddling?

This corner welcomes the proposed probe into the extent of US intervention specially reports of the CIA hand in the endless coup attempts.

A move by Senator Teofisto Guingona for an investigation to determine how the US government has been shaping the key political and economic policies of this country is also in order.

But I hope other reports of foreign meddling should also be looked into. To investigate solely US meddling without digging into the truth or falsity of Soviet or even Chinese meddling in our affairs would only betray the left-leaning tendencies of certain national officials.

The two cases of foreign power interference, if true, are equally lamentable considering that both stress the Filipinos' tendency to be dependent on a "big brother" country, to be mendicant at worst.

Both situations give us an idea that whatever system of government this country will embrace, we will continue to be victims of imperialist exploitation if we do not learn to be self-reliant and truly independent.

We complain of being in reality still a colony of the United States, a powerful country now nervous at the thought that their military bases may be scrapped by September 1991 when the RP-US military bases agreement lapses. With about half of the Senators nationalists and determined to dismantle the US bases, one won't be surprised that the US is doing everything it can to assure the continued stay of its precious bases.

But on the other hand, what is the difference if we embrace communism only to become a satellite of Russia or China? If we should raise a great howl against American imperialism, let's also cry out as vehemently against Russian or Chinese imperialism. Or are we too mendicant and too dependent to be really truly on our own?

/12913

**Editorial Views Reports of Foreign Submarines**  
*42000086f Davao City THE MINDANAO DAILY MIRROR in English 30 Oct 87 p 2*

[By Marietta P. Siongco]

[Text] Have foreign submarines entered Philippines waters carrying contraband and firearms?

This question was asked of Commodore Proceso Fernandez, Commander of Naval District VI based in Zamboanga City which has command and control over all Philippine Navy units in the whole Mindanao area.

Commodore Fernandez says they have received reports of such sightings but that they still have to confirm these reports of clandestine arms and contraband landings.

The Commodore adds that foreign submarines are usually cleared first by the government before they are allowed to enter our waters. If foreign submarines do enter the country secretly going to remote harbors to unload arms shipment the government, should immediately take appropriate action such as the filing of a diplomatic protest before the identified country that owns the foreign submarine.

Nobody thought of asking Commodore Fernandez whether any Navy patrol ship that comes upon such secret landings has perfectly the right to fire at the intruder. Or whether our country has the sophisticated equipment necessary to detect the entry of an alien sea vessel, whether it is a submarine or a fighter.

Fernandez tells the Davao mediamen in a press briefing aboard BRP Rajah Humabon, of visiting submarines from friendly countries although he didn't specify which friendly countries and what on earth such vessels are doing underneath our waters.

Thru the mediamen he urges the people to watch out for any foreign submarine and report immediately to the Philippine Navy any sighting of any mysterious ship.

So aside from asking the unarmed citizens to help government troops fight the rebels who are now becoming bolder and fiercer, the military or more precisely the Navy is also asking us to watch out for submarines. As if our frightened people don't have worries enough on how to survive and how to walk the tightrope between two conflicting forces out to exterminate each other.

And how on earth does an ordinary citizen distinguish a submarine from a banca or a submerged log or a crocodile with its beady eyes half-closed? Or a foreign submarine from our own Philippine submarine since most of us go through adulthood without seeing the likes of a submarine except perhaps in war movies?

I don't know how the Navy will conduct its information campaign for there are plans to launch a nation-wide campaign so the public will not mistake anything floating for submarine.

But maybe if only the Navy could be more vigilant in its task of guarding our waters instead of only keeping a vigilant eye on smugglers and smuggled goods aboard swift boats, maybe there would be no farther need to enlist public assistance, a public that in the first place doesn't have the remotest idea of what to look for in our wide seas.

/12913

**Chinese Lead in Year's Foreign Investments**  
*42000081a Davao City THE MINDANAO DAILY MIRROR in English 8 Oct 87 pp 1, 5*

[Article by Liza Austria]

[Text] Manila (Interco Press)—Fresh foreign capital continue to flow into the Philippine economy despite several political upheavals faced by the Aquino government this year.

The Chinese topped the list of investors with P22 million in initial paid-up capital for the first eight months of 1987.

This statistic was gathered by Interco Press from records of the Securities and Exchange commission (SEC), disputing claims by certain sectors that no significant quantity of foreign capital flowed into the country following the series of political troubles that succeeded the assumption to office by president Aquino.

Total foreign investments from 565 newly-registered domestic stock corporations and partnerships organized from January to August have reached P72.2 million, even surpassing the aggregate foreign capital infusion last year of P65.8 million and P54.3 million in 1985.

Last month alone, P16.9 million in fresh foreign business funds poured into the economy, the largest this year, followed by P10.8 million in July. No figures were yet available for the month of September.

Following the Chinese as top investors for the first eight months this year were the British with P12.1 million invested in 51 new companies, and the Japanese with P11.1 million in 19 new companies. The Americans invested P10.1 million in 114 new enterprises.

last year, the Americans topped the list of investors in the Philippines with P22.1 million initial paid-up capital for 142 new companies, followed by the Chinese with P11 million in 160 companies and the Japanese with P5.7 million in 64 companies.

Other nationalities with significant exposure in new businesses this year were the Australian with P2.3 million, Germans with P.98 million and the Spaniards with P.29 million.

However, Japanese investments dropped substantially last month from a high P6.2 million in July to P1.9 million. The Japanese investments for July was the largest single infusion among the different nationalities in 1987.

Business observers said that the decline in Japanese investments could still be the backlash of the kidnaping of a Japanese executive in the Philippines last year.

The same SEC records also reveal that P33.7 million or 59.7 percent of the total foreign investments this year were channeled to the manufacturing sector and P18.3 million or 32.61 percent to the financing and real estate business.

Other investment areas which received foreign capital this year were the retail and wholesale trade with P8.2 million for 164 new companies, agriculture and forestry with P3.3 million for 435 new companies, and mining and quarrying with P3 million for 18 new companies.

/9738

**Congressmen Divided Over Diplomatic Presence for PLO**  
*42000080b Davao City THE MINDANAO MIRROR BULLETIN in English 19-25 Oct 87 p 2*

[Article by Gaspar Balthazar]

[Text] Manila (Interco Press)—The Palestine Liberation Organization (PLO) is seeking entry into the Philippines. This, it has signified in press interviews and through "back-door diplomacy."

The Philippine government has thus far shown no sign of giving consideration to PLO's avowed desire to establish an "office" in the country. The Foreign Office has

adopted an attitude of studied indifference. It has been bruited about in diplomatic circles, however, that Vice President and Foreign Secretary Salvador H. Laurel is extremely wary of entering into any relationship with the PLO.

Although they uniformly declined identification, a number of senators and congressmen reacted to the PLO plan some in favor, others against. Significantly most of those in favor are congressmen from Mindanao. Even more significant, and at once dangerous, is that support for the PLO's entry into the Philippines does not take into account the geo-political implications of the matter.

The legislators who expressed opposition to PLO presence in the Philippines, postulated their position on considerations of Philippine diplomacy and national interest.

The legislators who would welcome PLO presence in the country sympathize with the Palestinians, who have been "deprived of their homeland," and have "historical and cultural affinity" with our Moslem brothers.

The solons who are against giving the PLO a footing in the Philippines, point up the adverse effect that such concession to the Palestine revolutionary group would have on the country's standing in the international community, which does not exactly look with favor upon the organization. They are mindful of the PLO's long history of engagement in international terrorism.

Libya and other Arab countries reportedly are backing the PLO's drive for broader international recognition. The non-Moslem ASEAN countries are said to be high on the list of nations marked for PLO courtship. Those Arab countries have their own plans for establishing political presence in the ASEAN area let alone the rest of the Asia-Pacific region.

/9738

**Editorial Sees Aquino Mistake in Delay of Socio-Economic Reform**  
42000086b Cotabato City *THE MINDANAO CROSS* in English 26 Sep 87 p 4

[Text] When President Corazon C. Aquino first came to power, she proclaimed national peace and reconciliation as a policy by which to survive the political, economic and moral crises left behind by deposed President Ferdinand E. Marcos.

Oozing with idealism, carried by her popularity, but handicapped by political inexperience, President Aquino did not sense the lack of pragmatism in the policy. If she did, she must have over-estimated her prowess to reconcile the extremely irreconcilable elements of the national crises.

Even before the end of her first year term, it had become very evident that the communist insurgents and their leftist allies and the Marcos loyalists and their rightist allies showed no signs of reconciling with the national government, much less with each other. Even the coalesced center, the bastion of the Aquino government, was cracking from political and ideological differences and appeared not inclined to reconcile with the military and the extreme right and extreme left.

Sincerely believing that peace and reconciliation as a policy is the only means to save the nation in grave crises, the President fell back on a complementing policy—the policy of accommodation. She must have believed that by accommodating the demands of the irreconcilable elements she could reconcile them to unite for national peace and development.

The effects of the policies of reconciliation and of accommodation appear disastrous. While the irreconcilable elements all are singing "Reconciliation" with the President, they are singing in their own *tunes*, in their own *tempo*, in their own *loudness*, and in their own *lyrics*. Political analysts are now warning that we are nearer the brink of a civil war than we were in 1972 or in 1986.

Instead of dissipating the first 19 months and the meagre resources of her government in the futile task of accommodation, the President should have devoted much of these to a national program of socio-economic amelioration for the rural poor who comprise 70 per cent of the country's population and whose poverty provides fertile ground for the communist insurgency to thrive on.

The communist insurgency grew under the 20-year Marcos regime because the rural areas had been neglected to keep them traditionally poor and victims of social injustices. Yet, the Aquino government has not started any honest-to-goodness program to improve the socio-economic life of the rural poor to give them a better alternative than the communist revolution.

The program may take 20 years or generations to fully liberate the rural poor from the dehumanizing effects of traditional poverty, injustice and oppression. But a sincere, vigorous start could have made an impact as a turning point in the battle for the hearts of the rural poor. Unless this battle is won through a socio-economic amelioration program, the fight against communism in the Philippines could never be permanently won.

Perhaps, when the communist insurgents and their leftist allies see the Aquino government winning the hearts of the rural poor through a genuine socio-economic amelioration program, they will reconcile with the government. Perhaps, too, all the other elements in the crises will sing "Reconciliation" in unison with the President.

But, unless the President takes the right boat, reconciliation and peace will remain elusive. We fear she can be forced to take another wrong boat—the military solution to a basically socio-economic and political problem.

/12913

### Mrs Cojuangco Allegedly Accepts \$1 Million Australian Bribe

#### Firms Seek Gambling Concessions

42000076 Sydney *THE SYDNEY MORNING HERALD* in English 31 Oct 87 p 1

[Article by Andrew Keenan and Louise Williams]

[Text] A sister-in-law of President Cory Aquino of the Philippines allegedly accepted a \$US1 million cash "deposit" from an Australian company seeking rights to Philippine gaming concessions.

The woman holds no Government office. No concessions have yet been granted to any company and there is no official record of the Australian deposit.

The allegation comes only days after President Aquino announced a fresh crackdown on corruption within her Government, promising no more "funny deals, no clever schemes, no fear, no favor".

Mrs Margarita (Tingting) Cojuangco, the wife of the President's powerful brother, Jose (Peping) Cojuangco Jnr, has declined to comment, although a spokesman said that a lot of allegations were "attributed to her".

However, the chairman of the Sydney-based Smith and Lane's, Mr Ray Lord, has confirmed to *THE SYDNEY MORNING HERALD* that he paid the \$US1 million in cash.

He has made no allegations of impropriety against Mrs Cojuangco and believes the money is refundable. He says he was led to believe that the deposit, for which he claims to have a receipt, was accepted by Mrs Cojuangco on behalf of her husband and "the Government".

Mr Lord and other sources have given the *HERALD* details of when and where the transaction allegedly took place, and who was present.

Smith and Lane is a publicly-listed company. Its directors include the RSL's Sir William Keys.

Mr Lord is by no means the only bidder to claim to have paid a deposit or "goodwill money". Other foreign companies are alleged to have paid sums ranging from \$US10,000 to \$US1,38 million to various people—including a man claiming to represent the Cojuangcos—in their attempts to win the same or similar exclusive rights. These and other allegations surrounding negotiations for the republic's lucrative US dollar (as opposed to

Philippine peso) gambling rights follow growing criticism that a new form of cronyism has been emerging near the top of the Philippine Government. Much of that controversy has centered on Peping and Tingting Cojuangco.

Senior Philippine Cabinet, judicial and police sources have told the *HERALD* that, despite the overthrow of Ferdinand Marcos, corruption has continued under the new regime and exists at very senior levels.

President Aquino has promised that the Special Prosecutor's Office and the National Bureau of Investigations would give top priority to investigating corruption allegations, particularly against senior Government officials.

Among the allegations surrounding the controversial gaming rights tender process are that:

—A Hong Kong company, Diamond Way Investments Ltd, allegedly paid \$US1.38 million "goodwill" to a man claiming to represent Mr and Mrs Cojuangco as part of its bid to get the rights;

—The same man, George Conchoe, also figured prominently in negotiations involving Mr Lord's bid company, Frostburg Ltd, and another foreign company, Cranbourne International. He allegedly portrayed himself as a director of the Philippine Amusement and Gaming Corporation (PAGCOR) or a representative of the Cojuangcos or PAGCOR;

—A man claiming to be Adrian Ocampo, the nephew of the President, attended negotiations with Mr Lord at the Philippine Plaza Hotel, during which sacked board members allegedly misrepresented themselves as still being in office;

—Documents issued to Frostburg and Diamond Way, purportedly granting each company exclusive rights to US dollar gambling, have been disowned by the PAGCOR board although they carry PAGCOR's seal.

—the current PAGCOR board also says it has no record of any payments by Frostburg, Diamond Way or Cranbourne;

—George Conchoe attended Frostburg's million-dollar deposit meeting with Mrs Cojuangco and also arranged a meeting between negotiators for Cranbourne and Mrs Cojuangco, although no money changed hands then;

—Some former directors of the PAGCOR board, or people using their names, continued to conduct "official" negotiations long after they were sacked by the President on December 31 last year.

**Further Details, Other Participants**  
42000076 Sydney *THE SYDNEY MORNING HERALD* in English 31 Oct 87 pp 71, 77

[Article by Andrew Keenan and Louise Williams]

[Text] It is a typically sweltering March day in Metro Manila. The restaurant, on the less savory fringe of high-rise Makati, is certainly expensive and ritzy, but hardly the place where one imagines Government business would be conducted.

But then, things are different in the Philippines.

The restaurant has been graced with the presence of Margarita (Tingting) Cojuangco—the White Lady—a sister-in-law of the President, Corazon Aquino, by virtue of her marriage to Aquino's youngest brother, Peping.

The White Lady's entourage includes the Farrales brothers, Jessie and Carlos (Charlie), and the energetic George Conchoe, also known as June Gavara, a small, thin man, who sometimes sports a pencil mustache and oversized clothes.

The group's ever-present, machine-gun-toting bodyguards loiter outside. Also in attendance inside is Burkhard Galler, a German national based in Singapore who has business dealings with the Farrales.

With him is Ray Lord, a wealthy Australian businessman who heads Smith and Lane Holdings Ltd, a publicly-listed company whose directors include the RSL's national president Sir William Keys. The Sydney-based company has its offices in York Street.

Mr Lord has done business in developing countries before. He knows the ropes: for the best results, go straight to the top.

Even so, he would recall later, the bodyguards these people seemed to bristle with were disconcerting. After all, if they needed protection, what about him? A murderer's machine-guns was unlikely to discriminate.

Mr Lord has spent months negotiating on behalf of his company—actually a joint venture with Mr Galler's—to secure the exclusive rights to "Dollar Pit" gambling in the Philippines.

(Dollar Pit, or Foreign Club, refers to all gambling conducted in US dollars, as opposed to Peso Pit which encompasses gaming in local currency.)

There will be many more months of negotiating to come, but for the moment Mr Lord has secured a Letter of Award and is about to make a deposit on the licence he believes he will get.

On behalf of Smith ands Lane's bid company, Frostburg Ltd, Mr Lord lifts a bag from between his feet and hands it across the table. It contains \$US1 million (\$A1.4 million) in \$US100 notes—10 bundles in all.

At the specific direction of Mrs Cojuangco, Lord recalls later, one of the Ferrales brothers writes out a receipt. The "official" party then departs, with George Conchoe carrying the bag beside Mrs Cojuangco.

(It should be noted that Mrs Cojuangco has declined to comment and Galler has repeatedly refused to confirm or deny his attendance. THE HERALD has tried repeatedly but unsuccessfully to locate Conchoe or the Ferrales.)

Mr Lord was—and still is—certain that the money was accepted by Mrs Cojuangco on behalf of her powerful husband and the Philippine Government. He is also certain that it will be refunded if his company is unsuccessful.

But had Mr Lord known at the time, as he pocketed the receipt, that a similar transaction had allegedly taken place several months earlier, he might not have been quite so confident.

On that earlier occasion, The White Lady had not been present. George Conchoe had allegedly fronted, claiming to represent her and her husband Peping.

The amount of cash involved was slightly larger—\$US1.38 million (\$A1.88). The receipt was accepted by negotiators for Diamond Way Investments Ltd., a Hong Kong company.

In the months to come, other foreign companies seeking gambling rights in the Philippines would take part in similar, though smaller transactions.

Representatives of one company, for instance, would allegedly pay \$US10,000 (\$A14,000) simply to begin negotiations and be introduced to Conchoe. Eventually a personal meeting with Mrs Cojuangco was allegedly granted also.

President Aquino has been aware since at least January this year of the possibility that some of the companies negotiating for the rights to operate foreign currency gambling in the Philippines might have been taken for a ride.

Various law enforcement and Government agencies, including Interpol, the Philippine National Bureau of Investigations and the Philippine Amusement and Gaming Corporation are even better informed of the allegations.

To date, however, there has been a marked reluctance to pursue the growing controversy. The foreign companies involved are not keen to complain because most believe

they still stand a chance of success in their bids. The Government agencies are no doubt reluctant to pursue allegations involving people close to the Palace.

Mrs Aquino is, no doubt, more concerned with shoring up her besieged Government than with the problems of foreign companies. The allegations are unlikely, however, to engender confidence among foreigners considering investing in the Philippines and are likely to provide fuel for Mrs Aquino's critics.

This is particularly likely in the light of growing criticism that a new form of cronyism is emerging in the upper ranks of her Government.

The controversy over Dollar Pit has been bubbling away for more than a year, according to a confidential memorandum circulated among Manila's ASEAN embassies and missions by an Opposition group about September last year. According to the memo, the problems began within days of President Marcos's flight from the besieged Malacanang Palace.

The document alleged that while President Aquino was busy forming her Cabinet, her youngest brother, Peping Cojuangco, "moved swiftly to consolidate economic power by rushing into the vacuum left" by the departure of Marcos and his corrupt cronies.

"While the nation's focus and attention were riveted on the political spectacle that unfolded, [Cojuangco] ...through various groups of trusted lieutenants ...sought and secured control of the most financially viable Government enterprises that are traditionally identified as sources of great funds, patronage and pork barrel."

Cojuangco would hardly agree with such terminology and, in fact, claims that his family's business empire has ceased to grow since his sister's election for fear of "crony" criticism. He does concede, however, that he has been able to "assist" friends and others to win various valuable business concessions and was a key to negotiating political alliances for his sister.

Cojuangco's first target, according to the briefing paper, was the casino operations previously controlled by Marcos's relatives (on his wife's side), Kokoy and Bejo Romualdez. These were brought under the control of PAGCOR, the Philippine gaming regulatory agency.

As directors of the PAGCOR board, Cojuangco allegedly engineered the appointments of "key henchmen" such as Reynaldo Pinedaa, Carmelo (Tarzan) Lazatin and Ambit S. Antonio.

Cojuangco concedes that he put "his people" into PAGCOR but only to secure it and its funds from Marcos supporters. "Cojuangco's board", however, would eventually be sacked by the President. But until then, under

the chairmanship of Norberto Qusumbing jun, the board began considering applications from foreign companies seeking the rights to the Philippines's US-dollar gambling.

Among the foreign companies that expressed interest were some big names such as Macau's Stanley Ho and Malaysia's Genting Berhad, both of whom also unsuccessfully tendered for the right to operate Sydney's Darling Harbour casino.

Other interested parties included Hong Kong's Diamond Way Investments Ltd, headed by Madame Chu PouTchan; Australia's Smith and Lane Holdings under Ray Lord; and UK-American consortium, Cranbourne International Ltd.

Diamond Way submitted a letter of intent in September. About that time, Smith and Lane were being approached by a Singapore-based German national, Mr Claus Agethen.

A telex was sent to Smith and Lane's chairman, Mr Lord, who was overseas negotiating, among other things, to secure a casino operation in Greece. He agreed to meet Agethen and his partner, Burkhard Galler, in Hong Kong on his way home. From there, it was on to Manila, where Galler has various business interests, to begin negotiations.

Galler provided Lord with something of an edge by virtue of his previous business dealings with the Ferrale brothers, who were supposedly close to the Cojuangcos and their supporters on the board. Mr Lord recalls various discussions with about five "board members" although he does not recall all their names, only that of a man named Antonio, who he believed was the board's chairman (which he was not) and a George Conchoe, who was represented to him as being the board's secretary (which he was not).

Other sources have told the HERALD that the other "board" members who subsequently attended negotiations gave their names as Carmelo (Tarzan) Lazatin, Magno Abrigo, Norberto Quisumbing and Rey Pineda. It is, of course, possible that none of these people was who he claimed to be.

While Mr Lord was holding preliminary discussions, Diamond Way was getting down to business. By early November, Madame Chu had reached a tentative contract with people she believed to be official PAGCOR representatives. That contract granted her company exclusive rights to Dollar Pit in the Philippines for five years, with a renewable five-year option.

As well, there was provision for the payment of 25 million pesos (\$A1.79 million) "goodwill money" on signing of the contract and the same again within 90 days of commencing operations.

The document, headed Concessionaire's Contract, was typed on PAGCOR letterhead and bore five initials, including one which purported to be that of the chairman, Quisumbing.

On November 22, Diamond Way transferred 25 million pesos (about \$US1.38 million) to its bank in Manila. Soon after, the company was told that the signing had to be delayed until December 29. A second contract, similar to the first, was prepared.

Again the signing was deferred, this time until January 29. Yet another contract was drawn up, imprinted with PAGCOR's official seal.

But Diamond Way was becoming concerned. On January 21, it wrote to PAGCOR, attaching the three draft contracts, setting out what had happened and asking for "favourable action". By this time, the previous PAGCOR board was no longer in office. Diamond Way's claims apparently came as a shock to the previous chairman, Quisumbing.

He replied to the company's letter the following day on behalf of the new chairman, Mrs Alicia Reis.

"I have never seen these drafts [of the contract] before," he wrote, "nor were they ever presented to me or to the former board."

Consequently, the initials ...[are] a misrepresentation. I cannot even call it a forgery, since it does not come close to a facsimile of my initials or signature."

Former-chairman Quisumbing then described the official deliberations of the board on the various applications, noting that on December 18, it had decided that none of the submission was satisfactory and that it should draw up fresh guidelines.

He ended his reply by asking diamond Way "to cooperate with me in my resolve to get to the bottom of this matter. There is, in this case, a grand scheme to defraud you and misrepresent us, and responsibility for this criminal act must be ascertained.

"As you would be in a position to identify the parties responsible for these documents, I would like to reiterate my appeal to you to assist me in my desire to pinpoint the parties that should be held accountable for this dastardly act."

PAGCOR took up the matter again the following month in a further letter, dated March 13. It noted that PAGCOR's assistance depended on Diamond Way executing a sworn statement "identifying the offender and later on testifying against them."

Diamond Way declined, apparently preferring not to rock the boat, but, rather, to pursue negotiations in the hope of salvaging something. Sources close to Diamond

Way's negotiators, however, were told that a key figure with whom Diamond Way had dealt was a man named George Conchoe. They were told also that the 25 million pesos "goodwill money" had been paid to Quonchu in cash.

Quonchu had allegedly told the negotiators that he was representing Tingting and Peping Conjangco. These more detailed allegations are known to have been passed on to PAGCOR.

Following questions by the HERALD, PAGCOR issued a statement saying that it had no record of any "deposit" made with it by Diamond Way in connection with any transaction.

About 10 days before Diamond Way had become concerned enough to fire off a letter to PAGCOR, Ray Lord was sitting down with what he believed to be PAGCOR's board for a heavy round of negotiations. He would not learn until May that the "old" PAGCOR board had been sacked on December 31.

The venue was a private conference room at the luxurious Philippine Plaza Hotel. Apart from the bodyguards and the five Board" members—Antonio and George Conchoe being the primary movers—the meeting was attended by Adrian Ocampo.

Ocampo made it clear that he was attending in no official capacity. He was there simply by virtue of being the nephew of the President. Despite this, he appeared well-versed in PAGCOR's requirements.

He spoke for more than an hour, lacing his business dissertation with tales of life in exile and homey anecdotes about when his now-famous aunt, Corazon Aquino, had been simply a housewife, washing dishes and tending the Aquinos' American home.

Ocampo was insistent that Mr Lord's company would be required to lodge a letter of credit for \$US3 (\$A4.2 million) million as proof of its financial ability to handle the Philippines US-dollar gambling.

Mr Lord maintained that \$US2 million (\$A2.8 million) was sufficient. Eventually, Ambit Antonio reached over and tapped the young Ocampo on the wrist, assuring him that a \$US2 million Letter of Credit was fine.

The negotiations had continued for about five hours, having started about 6 p.m.

Subsequently, Mr Lord met the "board" two or three more times and, about early February, received a Letter of Award, granting his company exclusive rights to operate Dollar Pit in the Philippines.

The letter was purportedly signed by Alberto S. Antonio as chairman of the board and carried the imprint of PAGCOR'S official seal. The letter is worthless and the

PAGCOR board has disowned it, resolving at a board meeting in July this year that it "has never been authorized by PAGCOR's board, particularly the incumbent board". (Emphasis added).

But Mr Lord was not to know this.

His company continued various negotiations and investigated the feasibility of setting up a casino in the Philippine Plaza Hotel's ballroom.

These negotiations, mainly with the likes of George Conchoe, culminated in the million-dollar meeting with Tingting Cojuangco at the Makati restaurant in early March.

There were further lesser cash payments—one on about May 5, for example, for \$US100,000 (\$A140,000) in 100-peso notes which was handed to one of the Ferrales—just as there had been previous payments for a variety of reasons, such as travel expenses for the "board".

Sources close to Smith and Lane have told the HERALD that over the subsequent months, the initial mood of elation among the Smith and Lane camp gradually turned to despair and anger.

But despite the official pronouncements from PAGCOR that Mr Lord's Letter of Award is worthless, that there is no record of his deposit and that Frostburg is not even listed as an official bidder, Mr Lord claims to still be confident.

Lesser men not as well-versed in the ways of the East might have cashed in their chips by now. But Mr Lord has experience of the East, of the time it takes to clinch deals, of what he calls "the wheels within wheels".

The award is merely being renegotiated, he insists. At this stage he has no intention of throwing in the towel or rocking the boat. He is adamant that there has been no deception.

His partner, Burkhard Galler, is less forthcoming. Speaking from Hong Kong, Galler repeatedly refused to confirm or deny that he had even attended the million-dollar meeting, eventually pleading with the HERALD to let him be.

"We have just been filing an application like everybody else," he said.

About the time Mr Lord was receiving his Letter of Award—February 1987—negotiators for another company, Cranbourne International, were starting their dealings.

After paying about \$US10,000 to a middle-man to "get the ball rolling", the chief Cranbourne negotiator conducted most of the dealings with a George Concohe, who claimed to be secretary to the PAGCOR board.

Conchoe also said that he had the support of Tingting and Peeping Cojuangco. The negotiator claims to have checked and found that the Cojuangcos had no official involvement with PAGCOR or the Dollar Pit tenders.

Why, then, did Cranbourne need them, the negotiator asked Concohe?

Conchoe allegedly replied that it was all very well to get a licence, but the successful bidder would need the cooperation of up to five Government departments to run the casinos. Only Piping could assure that.

The negotiator decided to test Conchoe's claims of being connected to the Cojuangcos and requested a meeting with Piping. Mrs Cojuangco was offered instead.

The negotiator allegedly met the White Lady in June at a large white house in one of Manila's luxury residential areas.

Conversation was restricted to chit chat—and barely five minutes of it. But the purpose of the meeting, according to the negotiator, had been simply to demonstrate that Conchoe had the connection.

When the negotiator later mentioned to Conchoe the "rumors" about other companies having paid various "deposits" or "goodwill money", Conchoe allegedly stated that these companies would have their money returned if they were unsuccessful.

The negotiator believed success was close by August, when the deal was due to be formalized. An attempted coup intervened, however. The negotiator is still waiting and believes Cranbourne will win through.

But then so does Diamond Way. And so does Ray Lord...

**Australian's Views**  
42000076 Sydney THE SYDNEY MORNING  
HERALD in English 31 Oct 87 p 77

[Text] Ray Lord is no fool, particularly when it comes to doing a deal. He has dealt his way up from accountancy through pubs, footwear, real estate, casinos, leasing and financing to the point where he now has more than a tidy personal fortune, including the historic 5,000-hectare property, Goonoo Goonoo.

He is also chairman of, and a major shareholder in, Smith and Lane Holdings Ltd, a publicly-listed company, which in turn controls Direct Acceptance corporation and Mark Twain Industries, each of which has a casino, among other ventures.

Mr Lord has done deals in all sorts of places with all sorts of people—pubs in Papua New Guinea, mining ventures in Indonesia, casinos in Turkey and Nevada.

The Philippines holds few uncertainties for such a man, although, as he says: "I am never confident of anything in the Philippines [but] you do business different in these Third World countries.

"Any chief executive who was honest with you would admit that. You do it every day of the week..."

So how does one do business in a country such as the Philippines? Lord's first rule is to go straight to the top—or as close as you can get.

On his continuing attempts to get some share of the Philippine's lucrative US-dollar gambling rights, Mr Lord claims he negotiated with close relatives of the President—specifically her sister-in-law, Margarita (Tingting) Cojuangco and one of her nephews, Adrian Ocampo.

"I dealt at the highest level you can get... We were dealing at the top... this was Aquino's nephew... not to mention The White Lady, Mrs Cojuangco."

So far, this does not appear to have paid dividends.

Not only has no concession been granted to any foreign company yet, but the Philippine Amusement and Gaming Corporation says a Letter of Award Mr Lord holds is worthless.

Nor does it have any record of a \$US1 million "deposit" he claims to have made with Mrs Cojuangco (purportedly to be held on behalf of her husband, Congressman Peping Cojuangco, and the Government).

So what went wrong? Well, nothing so far, according to Mr Lord.

Firstly, he says, he is not surprised that PAGCOR has no record of the deposit because he really did his deal with Mrs Cojuangco. Nor is he surprised that she has denied receiving the money if, for instance, she wanted it all kept quiet until the contracts were announced.

He himself would have preferred not to say anything at this stage either, and believes that the HERALD might well be jeopardising his company's chances because negotiations are still going on.

Secondly, one has to understand that things operate differently in different countries: "You just don't rush these things. Something that takes two months in Australia takes 12 months there."

It was the same, he says, when he had to negotiate modifications for a casino contract he won for his company in Turkey: "We have certainly had difficulty trying to get the renegotiated document agreed to,, but I don't intend to shake any branches."

Along the way to the top—Mrs Cojuangco—Mr Lord has had to deal with lesser mortals and it appears that they might not have always been quite up-front with him.

For instance, it was not until about May this year that one of Mr Lord's associates discovered that people they had been dealing with—on the basis that they were directors of PAGCOR—had been sacked by the President in December.

(This is assuming, of course, that the people they were dealing with were actually directors of the old board, as they claimed.)

Doesn't that type of apparent deception annoy him? Well, shrugs Mr Lord, that's the way it goes; "wheels within wheels".

And anyway, he is now dealing with the right board: "I negotiated with both sets of directors. The President's sister-in-law authenticated the old people for me and the new people. How much higher can you go?"

If he has been given the run-around—and he won't concede that yet—it won't be the first time.

"You get burned on deals. I am not prepared to write it off at this time. I was going to say it wouldn't worry me. It would. But if I got burned there, I would pick up on something else.

"I am not panicking on it. I believe we will get what we want, or close to it. There has been no deception. The results will be proven in time... one way or the other."

#### Aquino Orders Inquiry

42000076 Sydney *THE SYDNEY MORNING HERALD* in English 6 Nov 87 p 1

[Text] Manila, Thursday: President Corazon Aquino of the Philippines has ordered a "full scale" investigation into corruption allegations against her sister-in-law, following reports in the SYDNEY MORNING HERALD detailing a \$US1 million payout by an Australian company seeking gambling concessions in the republic.

In announcing the first official investigation of corruption allegations against a member of her own family, President Aquino repeated her commitment to "no favours and no special deals" for her family.

In a letter dated November 4 and released today President Aquino ordered the National Bureau of Investigation to conduct the inquiry into allegations by an Australian businessman, Ray Lord, published in the HERALD.

Mr Lord, who heads the Sydney-based company Smith and Lane, alleged that he had paid over \$US1 million cash in March this year to President Aquino's sister-in-law, Mrs Margarita "Ting Ting" Cojuangco, at a restaurant in Manila.

Mr Lord—one of a host of foreign businessmen seeking gambling rights in the Philippines—said he believed Mrs Cojuangco was accepting the cash on behalf of her powerful congressman husband, "Peping" Cojuangco, and "the Government".

The money, he said, was a "deposit" on the lucrative gambling rights. The Philippine Government has since confirmed that a contract given to Mr Lord was fake and that no such gambling rights have yet been awarded.

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#### Aquino Orders Tighter Immigration Watch on Visitors

42000110c Quezon City MALAYA in English  
23 Nov 87 pp 1, 2

[Text] President Aquino last night expressed concern over an apparent lapse in the enforcement of the country's immigration laws and ordered a tighter watch on visitors with "dubious interests" entering the country.

"We welcome investors and tourists but not visitors with dubious interests," Mrs Aquino said during her weekly "Magtanong sa Pangulo" [Ask the President] radio program aired last night over 25 radio stations throughout the country.

The President, answering a question phoned in by a listener from Sta. Ana, Manila, said she had earlier ordered a thorough probe of the Harry Stonehill incident.

Stonehill, a 70-year-old American businessman deported in 1964 for tax evasion and economic sabotage, was allowed to enter the country despite a standing deportation order classifying him as an "undesirable alien."

It was gathered that Malacanang gave specific orders to the criminal investigation division of the National Bureau of Investigation to "look deeper" into the circumstances behind the return of Stonehill to the country last Nov. 3.

President Aquino also ordered immigration authorities to make sure the Stonehill incident would not be repeated.

After a 12-day stay in the country where he used to control a vast business empire, Stonehill voluntarily left for Switzerland after Malacanang rejected his appeal to be allowed to stay for good.

In the same radio program, President Aquino said she would seek the support of local officials in organizing a training program for about 135,000 factory workers needed by the garment industry over the next five years.

Mrs Aquino said the expansion programs of 13 big electronics companies in the Philippines is an indication of renewed confidence in the business climate of the country.

"Hindi sila mag-expand kung hindi mapayapa dito sa atin. [They would not make any expansion plans if our country is not stable]," she told "Magtanong sa Pangulo" listeners.

"Let the facts speak for themselves," she added.

9365

#### KMU Warns Australian Investor Against Firm's Hired Vigilantes

42000110e Sydney SYDNEY MORNING HERALD in English 20 Oct 87 p 5

[Text] Canberra: Mr Alan Bond would have blood on his hands if he did not get rid of anti-union vigilante squads from a Philippine copper mine he was planning to invest in, a prominent trade unionist said yesterday.

Mr Carlito Rallistan, a national council member of the Kilusang Mayo Uno (KMU), the largest trade union group in the Philippines, said armed vigilantes based at the Atlas mines compound in Cebu had recently shot dead a union leader, Mr Victor Castillon.

Mr Bond is reportedly close to finalising a \$340 million deal with a consortium of international banks which could leave him with a substantial stake in the Atlas mines group.

Mr Rallistan said the vigilantes who shot Mr Castillon were organised by the company's managers. He said he would approach Australian trade union officials during his six-week public speaking tour here to urge them to act against the Bond Corporation in Australia.

The managing director of Bond Corporation International Ltd. Mr Peter Lucas, said last night he found Mr Rallistan's allegations unbelievable.

9365

**Jazmines Views Leyte Refugees, Government Vigilantes Policy**

42000110b Quezon City WE FORUM in English  
13-19 Oct 87 pp 6, 7, 12

[Article by Alan Jazmines: "The Process of 'Officializing' Vigilantes"]

[Text] It was not in her Oct. 23 speech before an Alsa Masa audience in Davao City's Alsa Masa capital in Agdao District, where President Aquino uttered for the first time her statement favoring the formation of vigilantes. Much earlier, she had been endorsing the formation of the "unarmed" NAKASAKA variety, who supposedly do not carry firearms but only long-bladed weapons with which they behead "communists" and with which they like to pose in pictures together with the severed heads of their catch.

During that Davao sortie, however, she finally endorsed the openly high-powered rifle-bearing Alsa-Masa, saying that the people want the Alsa Masa and therefore it would not be disbanded. She even praised them for being a model in the battle against armed communist insurgents.

In a radio broadcast two days later, she also explained that the CHDF which, during her Snap Election campaign, she pledged to disband for its notoriety in terms of human rights abuses, "could take some time" to disband "because there are some places where they like the CHDF.... Those doing good (should) temporarily be there to help our people and the military."

The KBL joined the fun by declaring that they, too, would be forming their own vigilantes "to fight communists."

The President, as usual, had to officially backtrack and assume a legal posture after having been criticized by human rights groups and even some in her party and government, notably Sen. Aquilino Pimentel for endorsing the Alsa Masa. She said that the vigilantes should not carry firearms, should not be abusive and should be under the strict control of the military.

When, in a multisectoral dialogue in Cebu, she was confronted with a litany of terror activities being committed by Cebu vigilantes, she appeared stunned, reacted with a serious stare and then lamely explained that, in Davao, the people want the vigilantes but the people in various regions will have to decide for themselves if they accept or reject armed vigilantes.

On Oct. 30, the Department of National Defense, the Department of Local Governments and the Commission on Human Rights formalized the guidelines for the establishment of vigilante groups. A national registration of vigilante groups is to be conducted shortly, following those guidelines.

Contradicting President Aquino's clarification, the guidelines virtually give the vigilantes the right to carry firearms. Apparently it allows only licensed firearm holders "to compose the armed components of such groups." In this regard, Secretary of National Defense Rafael Ileto clarified that "the government would provide arms for such groups but they could have their own licensed firearms" (read: Vigilante groups are definitely armed; firearms of vigilantes may also be licensed.)

That put a stop to all further equivocation and hypocrisy—presidential or otherwise—about one thing at least; That vigilante groups are definitely armed.

AFP Chief-of-Staff Gen. Fidel Ramos took the occasion to call for the establishment of vigilante groups all over Metro Manila. This, although they have already been established or are in the process of being established in every city and municipality in the metropolis. However, he also said he wants the name changed to "civilian self-defense volunteers organization," since vigilantes have a bad connotation. Besides, the guidelines say that civilian vigilante groups "shall be organized for self-defense and protection only."

All this effort at breaking through resistance, especially from human rights groups, against vigilante groups, resolving once and for all official equivocation, and seeing to the official recognition and formal establishment of vigilante groups forms the context of what is happening to the Leyte refugees at the Polytechnic University of the Philippines.

The presence of these refugees in Manila and their effort to ventilate their plight—the fact that they are innocent people who all have gruesome and gory stories of their own to tell about the vigilante terror in Leyte that they managed to flee from—could serve as a dramatic and forceful indictment of the Aquino regime's policy on vigilantes and, thus, as a drawback to the process of getting the vigilantes officially established and publicly accepted.

These refugees had to be harassed, arrested, mauled, indicted, discredited, and even fed to the lions, if necessary, if only to stop them from being a statement on the issue.

And so, the hunted who were able to flee from the hunter in Leyte vigilantes meet the hunter once again in the form of the Metropolitan Police Force. Later, in a bizarre twist that would bring them 360SD back to where they came from, they are to see their hunter all over again in its original form.

The first raid on Nov. 1 at the PUP compound, where the Leyte refugees have been housed for almost a month now, and the arrest of the 39 refugees in that raid, raised so many legal questions that the police anticipated a

court ruling adverse to the claim of legality in the raid and realized they had to refine tactics and free the detained refugees temporarily.

It turned out that the raid was made on the basis only of a search warrant issued against Dr. Memesio Prudente, PUP President. The warrant was faulty in that it did not specify what the raiding team was supposed to look for. PUP officials who witnessed the ransacking of Prudente's office said that no hand grenade, no subversive document, no "contraband" of any sort was found in the office nor in the Sampaguita Hall where the refugees and their belongings were searched. What the raiders did take were the monies and the precious belongings of the refugees, which were, however, not reported. But at the police station, the raiders reported that three hand grenades and subversive documents were found in the washroom adjoining Prudente's office and that subversive documents such as "Ang Partisano," "Ang Bayan," and "Gabay sa Pag-G2" were taken from the refugees.

The police also pointed out as "marks of their being NPAs" the triangle formation of tabooed moles on the cheeks of some of the refugees placed on them by vigilantes to mark them "for identification and for monitoring of their movements" just as the Nazis under Hitler marked Jews with Star-of-David tattoos for the same purposes.

But when human rights lawyers filed with the Supreme Court a petition for writ of habeas corpus questioning the basis for the arrest and the raiders' failure to present any warrant of arrest, the High-Tribunal ordered the Manila police chief and other respondents in the petition to answer charges of arresting without any legal basis, violating the evacuees' right to counsel; lacking any formal complaint against the detained evacuees, which sums up to arbitrariness on the part of the police in regard to the arrest and detention of the refugees.

The police immediately released all the detained refugees, except one, not only to undermine the grounds for habeas corpus petition but also so that the refugees could be rearrested on a new tact.

The one who remained in military custody is a 50-year old cripple, Concordio Orion, whose name resembles that of a Conrado Orion, who a rush telegram from the Chief of Police of Dulag, Leyte, said is "an NPA leader."

The question whether or not this was only a case of mistaken identity is academic now, after the police again raided PUP and rearrested 23 of the 39 arrested on Nov 1 and added a schoolteacher named Lolita Dellosa to the number of those arrested.

The police had gotten wind of reports that Dellosa, of La Paz, Leyte, who manifests leadership qualities and was instrumental in organizing the local Alliance of Concerned Teachers affiliate—Kapit-Bisig ng mga Guro—turned out to also have been instrumental in getting

more than 1,000 Leyte refugees in Metro Manila organized, in setting up the Alliance of concerned Visayans in Metro Manila (ACVIMM) together with her corefugees, and in arranging for the temporary quarters of the refugees at the PUP, and had also been going around various fora and lecture circuits effectively exposing vigilante atrocities in Leyte. Which is why she suddenly turned out to be "an NPA" and was, at gunpoint together with the others, taken to Bicutan.

In this second raid and arrest of Leyte refugees, again no arrest warrants, not even a search warrant, was presented. At first, the police said with their guns pointed, "there is no need for arrest papers because the refugees will only be transferred to the Department of Social Services and Welfare." But they were instead brought directly to detention. The police then explained later that they had to be taken again to face criminal charges in Leyte.

Perhaps the authorities resorted to this in reaction to the powerful graphic exposé, complete with pictures of vigilante atrocities, the Leyte refugees presented before a Senate Human Rights Committee hearing, which was further dramatized by the surprise appearance of their 38 just-released companions, and also by the impact of the nonappearance of Concordio Orion who was left behind in detention.

Perhaps the police also needs to keep on coming out with anything that will keep the Leyte refugees in detention under any semblance of legality no matter how slim, just to justify the first arrest as well as the anti-Sparrow saturation drives in urban poor communities in Metro Manila, their rounding up of more than a thousand "likely suspects" so far and their arrest of scores of other "suspects" aside from the Leyte refugees. Now they have also come up with moves to tie all of these together. For instance, the son of Army Major Edgardo Velasco, who was killed by Sparrows, has come up to "identify" a Leyte refugee, Edgardo Valdez, and somebody else arrested in a Pasay City saturation drive as the one who killed his father.

But, definitely, all this, including the series of jumbles and mix-ups that have cropped up in the process, indicate the extent to which the powers that be have been striving to do all they can, circumventing laws, human rights, logic, and even norms of propriety in order to prove the uprightness of the government's position on the vigilante question and its new, improved "get tough" policy in regard to the insurgency question, all at the expense of the refugees who for now have managed to elude vigilante terror in Leyte.

At any rate, the authorities are obviously determined to punish the Leyte refugees with more of what they are complaining about. The police and the military in Leyte have filed trumped-up charges of multiple murder against the 25 refugees now under detention so that they

can be forcibly sent back to Leyte into the waiting arms and mercy of those who have been tasked to make the effectiveness of the institution of vigilante groups a self-fulfilling function.

In the meantime, the quibble between Press Secretary Teddy Benigno and Executive Secretary Catalino Macaraeg on whether President Aquino actually approved the first raid at PUP has also been made academic by her explicit approval of the second raid.

And then lately Cardinal Sin has come into the picture, trying to render a coup de grace by giving his blessing to the formation of vigilantes.

9365

### Weekly Analyzes, Summarizes Changing Political Scene

42000110a Quezon City WE FORUM in English  
13-19 Nov 87 p 3

[News analysis: "Changing Political Scenes and Permanent U.S. Interests"]

[Text] Like a marriage that "had" to take place, the tactical alliance among the major anti-Marcos parties to put up a powerhouse ticket in the 1986 snap elections has all but crumbled into dust.

Shifts in the alliance, which later evolved into the ruling coalition, have taken place at a rather rapid pace, and, if the events of the last weekend are to be weighed, the rulers of the near future will not be a cohesive coalition, but distinct power blocs trying to outbalance each other.

After all, the fulcrum of the anti-Marcos coalition is gone, and the levers are now wildly flailing, each trying to swing the balance in its own direction.

President Aquino, while still generally regarded as the center of power, walks a tightrope when it comes to the interests of the political parties mainly because she had come to power under the United Nationalist Democratic Organization (Unido) of controversial No 2 man Salvador Laurel, yet made it clear she was drawing her support from the loose coalition of pro-Aquino groups straddling left of center to center on the political spectrum.

Now, even that support is in jeopardy, as its two pillars—the PDP-Laban of her brother, Rep. Jose Cojuangco, and the Liberal Party of Sen. President Jovito Salonga—may go separate ways in vital areas in the Jan. 18 local elections. The Unido's ascendancy has suffered with the series of controversies in which Laurel has gotten himself embroiled in.

Where before the aspirants in the May 11 congressional polls awaited anxiously who among the "nominees" in the parties within the coalition would get Mrs Aquino's official blessings, the Jan. 18 race appears, this early, to be more of a free-for-all affair.

Although efforts are reportedly being exerted to unite the LP and the PDP behind a single candidate in as many areas as possible for Jan. 18, neither side is hiding the fact that it has made up its mind about fielding its own bet if the President chooses the other to represent the "coalition."

In the first place, most of the appointed local officers-in-charge, who have been firmly told by Mrs Aquino they'd have to resign before running, have made known their desire to join the race, if not as the ruling coalition's candidate, then as another party's bet or as independents.

And, from the look of things, many incumbent OICs may not get Mrs Aquino's blessing because of their dismal performance, or because they have not gotten fair grades from the DLG.

This dilemma of the OICs is amply illustrated in Metro Manila, where the race is most keenly watched.

### Benefactor and Protege

An interesting fight looms in Quezon City between presidential sister-in-law Mila Aquino-Albert and her erstwhile recommended, the incumbent OIC Brigido Simon Jr.

Albert has declared her intention to run, with or without presidential blessings, and Simon, while hedging at first, later said he would run against Mrs Albert. Not likely to get the Palace nod is Charito Planas, but she is a candidate to reckon with.

In Manila, acting Mayor Mel Lopez, for all his grandstanding, his much-vaunted one-week garbage miracle, and his optimism about being Mrs Aquino's fair-haired boy is truth to tell, virtually partyless. Although known as Unido's national treasurer, he had tried to barge into top-level PDP-Laban meetings, claiming to be a founder.

PDP-Laban stalwarts like Sen. Joey Lina have blocked Lopez's entry into the party, and Mel would have to work hard to get a party to endorse him to Mrs Aquino.

Already, Salonga's Liberal Party has announced it would field National Housing Authority's Lito Atienza for Manila. Whether or not Mrs Aquino's official blessing would be a factor in Atienza's going full steam into the race is not known, although he seems to enjoy her confidence.

## Run-Up to 1992

Salonga's moves to further strengthen the LP for the 1988 local polls is widely seen, of course, as paving the way for the 1992 race for the presidency, which President Aquino has repeatedly said she would not join.

Salonga's political star is at its peak at the moment, and he has even gotten, this early, public endorsements from even the maverick ex-cabinet member, Sen. Juan Ponce Enrile.

As the Senate projects an image of independence from the chief executive, so, too, it is believed, will the distance between Mrs Aquino and Salonga widen.

In effect, as political observers view it, the political arena is being changed, but not substantially. What is simply happening is that dominance is shifting from a coalition to individual powerful parties seeking to increase even further their clout. It is still the politics of convenience in another form, largely dictated by who among the personalities is a shining or a waning star, and largely immune from the pressures of issue-oriented politics.

Whether or not any of these leading parties would emerge as a leader in the determination of the all-important issues of national economic and political sovereignty, is a vague expectation. The possible seeds of anti-bases sentiment, however, seem to find a better climate in the Senate, where the vote for the bases' retention is crucial, with the senators led by Salonga clothed with the power to affirm or reject the executive's position.

The bases treaty expires in 1991, and the next presidential race is in 1992. The first is clearly a major factor in the run-up to the latter, because even this early, the over-riding considerations of American interests are already ruling Philippine politics.

And the local elections, apart from serving as the first campaign ground for the presidency, are also expected to be crucial to those sectors who would wish to influence public opinion in favor of the bases. Local leaders, after all, have always been convenient conduits for such campaigns.

The coalition that brought Aquino to power has had its uses, both to the Filipinos and Americans, but more to the latter. It has helped them get rid of an unpopular president, and installed a popular figure who can continue their programs without getting as much flak as Marcos.

A new game plan is emerging, and with it, new political scenarios. Making the big, elitist political parties fight each other is a neat way of assuring that either way, the status quo can be preserved. After all, the first adventure of "new politics" advocates has shown that it will take a generation—definitely more than the four years between

now and 1991—to make Filipinos appreciate the need to sacrifice fleeting "fringe benefits" for the yet intangible fruits of freedom promised by nationalists.

Unless, of course, someone has a surprise to spring which not even the wily American meddlers may foresee.

9365

## NPA Loss of Image in Bicol Reported

42000080a Bangkok *THE NATION* in English  
5 Nov 87 p 13

[Article by Candy Quimpo]

[Text] NAGA, Philippines—Nelda Balauro ran for her life with nine of her 11 children in tow and two armed men in pursuit.

Fleeing from her village home, she hailed a passing motorcycle with sidecar, climbed in with all her offspring, and pleaded with the driver to speed them to the nearest military barracks.

The armed men were members of the communist New People's Army, which has been fighting the Philippines government for 18 years and is said to be particularly strong in the Bicol region, the peninsula at the foot of Luzon island, on which the capital Manila is situated.

The rebels were looking for Nelda's husband, Delfin, who had already fled. Delfin said the rebels threatened to kill him if he refused to "surrender" his two teen-age daughters for guerrilla training.

The government of President Corazon Aquino estimates that 34 to 40 percent of Bicol villages are either "influenced" or controlled by the rebels—much higher than the national figure of 20 percent.

Bicol rebels have always boasted of voluntary support from the population which was known to protect rebels and provide them with food.

Government officials admit the NPA has complete control of certain areas, especially remote villages where basic services are scarce.

The insurgency is nourished in Bicol by the mountainous terrain, ideal for guerrilla warfare. It is the country's second poorest region, with 70 percent of the population below the poverty line income of \$100 a month.

In a village near Minalabac town, an NPA "tax collector" said the rebels had driven away officials and taken over governing the people, even working closely with the village council to settle land disputes.

The tax collector, a local resident, visits his neighbors several times a week with a rebel shopping list which includes toilet soap, detergent and cigarettes—"taxes" collected with an undefined "or else."

Until recently Bicolanos paid up, partly out of fear, partly because the rebels provided protection from criminal elements. But through their own fault, the rebels have come to more grief than gain this relationship with the population.

In September they blew up four vital bridges including the rail link to Manila, preventing the flow of goods from Bicol to the rest of Luzon island.

The attacks, a change from hide-and-seek guerrilla warfare, shattered the "Robin Hood" image the rebels had maintained in the region. After a public outcry, the NPA disclaimed responsibility for blowing up two of the bridges.

"We are at a loss because the attacks do not seem to jibe with the policy of the NPA," said a Roman Catholic church leader in Naga, the region's major city.

"In the past the rebels adopted a pro-people stance which was quite effective, because they went after rustlers and criminal elements in the villages."

Bicolanos also complained about the "voluntary support" exacted by the rebels even after two devastating seasons of drought and one typhoon.

For farmers Delfin and Nelda Balauro, the final straw was when "voluntary support" included not just rice and money, but their daughters.

The Balauros are now among some 200 refugee families camped in the schoolhouses and government buildings of a town near their homes.

The other families deserted their villages to escape the crossfire of battle between insurgents and government troops sent to Bicol in the wake of the NPA bridge attacks.

"When the rebels first came, they said they would help us if we helped them," Delfin said. "They visited once or twice a month, we gave them food, and they went away.

"But demanding the services of our children is too much. If this is the way they treat us, we have every right to defend our families."

Delfin echoed a sentiment that is gaining support among Bicolanos. Civilians affected by the strife are demanding government weapons to protect themselves.

Anti-communist vigilante bands nationwide have aroused fears of abuse, but alternatives have not been found. Brigadier General Luis San Andres, the Bicol regional constabulary chief, prefers to call them "civilian volunteer" groups.

"The solution to all these problems is harnessing people power, perhaps by forming a group like the Nakasaka," he said.

the Nakasaka, organized by the late Local Government Secretary Jamie Ferrer, is a group of unarmed civilians who help the military defend their villages. Ferrer was assassinated in July this year.

Since May, San Andres has listed eight "civilian volunteer groups" in Bicol. He said many more are being formed but have not yet reported to the military.

In April, armed forces chief Gen Fidel V. Ramos issued guidelines to the military on supervision of these groups, citing the "constitutional rights of citizens, singly or collectively to self-defence, and their constitutional duty to defend themselves."

The guidelines are vague, however, on whether civilians may be armed.

Guidote Fraginal, a refugee in Delfin's evacuation centre, believes the military should remain in their barracks once the rebels have cleared out "so that we will be free to cultivate, free to live."

It is a reversal of roles. Under former president Ferdinand Marcos, villagers depended on NPA rebels to provide protection from abusive government troops.

Said a taxi driver near the evacuation centres "during the time of Marcos, we hated the military. We called the 52nd battalion assigned her the 52nd pests. They stole our chickens and harassed our women.

"Now the military assigned here is different. They don't give us problems." Compass News Features

/9738

**Columnist on 'Irreconcilable Forces' Arrayed Against Aquino**  
*42000086c Cotabato City THE MINDANAO CROSS in English 26 Sep 87 pp 4,10*

[Text] Among the heroes in the struggle to topple the Marcos dictatorship were the known and unknown leaders and members of the various cause-oriented groups. While others were cowed to silence, the cause-oriented groups defied militarism, manned the parliaments of the street, and held the torches high for democracy.

They were the vanguards and the rearguards in the February 7 snap presidential election and the 78-hour EDSA February revolution which elected and installed the housewife and widow Corazon C. Aquino President of the Philippines.

All these are history.

As the cause-oriented groups had a key-role in the making of Corazon C. Aquino into a President, they still have a key-role in her public life as President. But this time the role is ironic to see. They are about to unmake her.

Like another EDSA revolution hero, then defense minister now senator, Juan Ponce Enrile, the cause-oriented groups are imposing their will and vision on President Aquino. They want her to implement the reforms they have envisioned. But, if Enrile, on failing to have his way, resigned from the Aquino cabinet, the cause-oriented groups have no inclination to abandon their cause.

President Aquino, on assuming the Presidency, set out to defuse and solve the national crisis through a policy of reconciliation. Reconciling the extreme left, the extreme right, the Marcos loyalists, the military, and the new multi-faced center was a tall and hazy order, an idealism bound to fail.

While at the beginning, the cause-oriented groups appeared to support the President, soon they made it clear that they wanted an entirely new social, economic and political order based on a nationalism purged of all American influences. They wanted a new military organization.

President Aquino has been seen as vacillating and indecisive in her leadership. While this may be due to her inexperience in political and public affairs, it may not be erroneous to perceive that this is greatly due to pressure brought on her by the irreconcilable forces she has been trying to reconcile through accommodation.

Clearly, President Aquino cannot cut her government's ties with Washington and the West. There is no way to liberate overnight the Philippine economy from its western capitalist captors. It is not easy to sacrifice the landed Filipinos to implement a land reform program according to the demands of the landless.

Only through compromises can President Aquino steer the country through the crisis to survival. But in compromising with Washington, with the country's international bank creditors, and with the Filipino landed estate owners, President Aquino is heading to a collision course with the cause-oriented groups. In fact, the collision has started.

It is next to impossible to have a new military organization within 19 months. The only alternative might have been to change the Armed Forces of the Philippines with the New People's Army of the Communist Party of the Philippines.

Yet from the start of the Aquino administration, leaders identified with the cause-oriented groups have not hidden their distrust of the military. By mere suspicion, the military has been blamed and condemned for the killings of persons identified as cause-oriented or leftist.

As commander-in-chief, President Aquino has the task of keeping the morale of the military organization high. But it is doubly difficult to keep high the morale of a much chastised military. While convenient, it is not very accurate to ascribe to "ambition" the mutinous acts of some military officers.

It is evident President Aquino is being torn between her policy of reconciliation and compromise and the inflexible nationalist orientation of the cause-oriented groups. She cannot continue vacillating and being indecisive.

The cause-oriented groups have started confronting President Aquino. There's bound to be more confrontation. Already, she has been equated with the deposed President Marcos.

True to their orientation, the cause-oriented groups will not stop short of the realization of their nationalist cause. If President Aquino cannot be an instrument of this realization, they will erode her popularity to unmake her.

The Philippine political spectacle is ironic but true.

/12913

#### **Military Rejects Davao City Request To Stop Bombing NPA**

42000080c Davao City THE MINDANAO DAILY MIRROR in English 7 Oct 87 pp 1, 9

[Article by Vic N. Sumalinog]

[Text] The military in region XI will not stop using bombs and artillery against the New People's Army as requested by Davao City's Sangguniang Panglunsod in a resolution Friday.

"But we will be highly selective in using artillery and rockets" Brig. Gen Romeo Recina, Region XI command chief, said in an interview with Baby Castillo of DXDC.

The city council resolution sponsored by councilor Dante Escalante last Friday calls for a ban in the use of bombs by the military against the rebels.

Recina said matters like making a decision on the use of bombs is purely a military concern but he appreciates the collective act of the members of the city council in reminding the military of the grave consequences of using heavy weapons in military operations.

He assured councilors and other civilian officials that the use of military aircraft or artillery in the fight against the insurgents is only restored to when the situation demands.

Recina said that as much as possible, bombs, rockets and artilleries will only be used when the targets are pinpointed and that these are far from populated areas.

He said that when there is an operation and there is need to use aircraft launched bombs or rockets, extreme care is used in determining the target.

Recina said that in military operations the armed forces are doing their duties as soldiers. Therefore, he said, they will have to use whatever resources are available.

Meanwhile, Recina yesterday said his command is in the thick of preparations for the coming of President Corazon Aquino this week.

In an interview with newsmen he said that his men are eagerly awaiting for the arrival of the President in the camp.

Recina said the coming of the President is certainly a big "morale booster" to the soldiers in region XI.

It may be recalled that President Aquino has promised to visit all military camps in the country.

She had announced to first come to the Recom XI headquarters in Davao City before any other.

The Aquino commitment came after the revamp she made on her cabinet and as an offshoot of the visit to different camps by vice president Salvador Laurel.

/9738

**Davao Commander Clarifies Radio Charges  
Linking Red Cross to Communists**  
*42000081d Davao City THE MINDANAO DAILY  
MIRROR in English 18 Oct 87 pp 1, 7*

[Text] Davao Metrodiscom chief Lt. Col. Franco Calida yesterday clarified radio reports branding the International Committee of the Red Cross (ICRC) as "supportive of the communist movement" in Davao City.

In a statement Calida said that in fairness to the ICRC the group should not be branded as such considering that its activities are basically humanitarian in nature.

Even if at times they have to deal with people who could be supporters of the movement they could not be supporting the insurgents.

Calida said that whatever misconceptions some individuals or groups may have on the ICRC's honest endeavors for the sake of humanity is unfair to the people working with the said organization.

The Metrodiscom chief said the good intentions of these people could only be ruined by some detractors quite unjustly.

He said he is supporting the ICRC and is giving this clarification to exonerate its name from such uncalled for accusation on the air.

/9738

**Marine General Applauded During Aquino Davao Visit**

*42000081e Davao City THE MINDANAO DAILY  
MIRROR in English 27 Oct 87 pp 2, 4*

[Article by Chris G. Sienes: "Gen. Rodolfo Biazon: Davao City's Eponymous Hero?"]

[Text] After almost a week's absence, it's good to be back. No, I haven't been rustinating or aestivating in some covert and arcane hidyhole. I was simply too busy last week and I needed some rest afterwards. Rest is always very pleasant after a series of grueling activities. It's good for the mind, too.

\* \* \* \*

I was one of those who attended President Corazon Aquino's Peace and Development Conference last Friday afternoon at the Central Bank Convention Hall. I noticed that some speakers, who heaped credits on some leading figures for the spread of the Alsa Masa and other vigilante groups in Region XI, didn't mention the names of some people who also gave more than their share for the spread of the movement. If the purpose was to commend the people behind the vigilante movement here, all those who were responsible should have been given credit, personal differences or animosities notwithstanding. Justice, after all, is giving people what is due to them.

\* \* \* \*

One other thing I noticed during the conference was that with the exception of the President, Gen. Rodolfo Biazon of the Philippine Marines received the longest and the loudest applause from the crowd. Many in the crowd even stood up as they lustily cheered the former Marine Brigade commander here. Gen. Biazon may not be from Davao City, but the way the people reacted last Friday afternoon, it looks like he has become the city's eponymous hero. A clear proof that when men in uniform do

the tasks assigned to them dutifully and behave as true officers and gentlemen should, they always endear themselves to the people around them.

\* \* \* \*

President Aquino considers Region XI the most outstanding region in the country and a model for all other regions to emulate. Not that the President's statement is indisputable, but our region no doubt deserves the honor. Without depending so much on the national government, civilians and leaders from local government units, the military, the Church and the private sector in the region decided to work together to try to solve the existing social, political, economic and even moral problems in the area. They have not yet attained complete success, but what they have accomplished so far has worked wonders for the regions and has made it the envy of all other regions in the country.

\* \* \* \*

When Gen. Jose Magno asked why there are no talks of a coup d'etat here, two military officers readily gave very convincing answers. Col. Orlando Soriano of South Cotabato said that he and his men don't think so much of themselves but of the future of the children. They want their children to grow up in free and democratic atmosphere. Major General Cesar Tapia, on the other hand, said that it's because "the professional soldiers are in Mindanao." The rejoinders of the two military officers, plus their pledges to support and fight for her must have warmed the President's heart no end.

\* \* \* \*

The President specifically wanted to know what is it in Region XI that gets all sectors to work together to try to solve existing problems. There were many answers given, some of which have become rather controversial and the subject of criticisms from certain sectors in the local media. But doubtless the President, after listening to all the answers to her very important question, went home with clear and penetrating apercu not only of the situation in the region but also of the donosities of the character of the people here.

\* \* \* \*

**Point to Ponder:** Those who have TV sets should watch the new TV series OHARA (Sunday evenings, Channel 7), not only for the exciting police action but also for some of the statements of the hero, some of which I have already quoted here as some points to ponder on. Today, again our point to ponder comes from one of the statements of Ohara last Sunday evening. Here it is:

"Everybody wants to talk; few want to think."

/9738

**Mindanao Lawmakers Oppose Purely Military Solution**

42000081c Davao City THE MINDANAO DAILY MIRROR in English 17 Oct 87 pp 1, 4

[Text] Mindanao lawmakers have petitioned for the immediate mobilization of the armed forces for civic action operations in places menaced by insurgents.

Led by former natural resources minister now Davao del Norte representative Rodolfo del Rossario, the solons insisted that livelihood, public works and other civic activities should be simultaneous with the on-going military operations, which alone can not solve the insurgency problem.

Fifteen other signatories to House Resolution 410 opposed the use of purely military solution to the peace and order problem, saying that a socio-civic-approach would be more in keeping with Filipino temperament as shown in the EDSA revolution where blood was spared in regaining democracy.

Del Rosario, expressing concern about the breakdown of law and order in the countryside, said that the government should give equal stress to civic action work in the spirit of national reconciliation and in the tradition of PHILCAG that won world acclaim for the Philippines during the Vietnam war.

The measure urged the armed forces to field non-combatant medical teams for health and dental services, engineering corps for building or repainting barangay roads, bridges, schools, centers and deep wells; as well as foot soldiers who are experts in teaching vocational skills, farming technology and cooperative development in the rural areas.

It also sought the setting aside of part of the military budget for food and medical supplies for distribution in depressed areas, notably those ravaged by natural calamities.

The proponents believed that this move will greatly change the military's image and make it more endearing to the people.

The resolution was signed by: Del Rosario, Arden Anni, Luis Santos, Enrico Dayanghirang, Charito Plaza, Michael Mastura, Jesus Dureza, Artemio Adasa, Alvin Dans, Hilario de Pedro, Mario Ty, Ma Clara Lobregat, Benjamin Bautista, Cornelio Maskarino, Baltazar Sator and Leonardo Guerrero.

/9738

**Southeastern Mindanao Reconciliation Plan  
Midyear Assessment**  
*42000081f Davao City THE MINDANAO DAILY  
MIRROR in English 29 Oct 87 pp 1, 4*

[Text] The National Economic Development Authority (NEDA) has made a mid year assessment of the National Reconciliation and Development Program (NRDP) in Southeastern Mindanao, Region XI. The evaluation showed that the program has attracted 3,694 armed rebels.

Regional Director Lina B. Laigo of the Dept. of social Welfare and Development reported to the Regional Development Task Force that very significant strides have been achieved in Region XI. In fact 3,694 is 40 percent of the national total and that Region XI ranks No. 1 in the successful implementation of the program. Director Laigo notes that the response of national agencies, local government units and the private sector has been overwhelming.

Recalling how the NRDF began here, Laigo said six Bayanihan Centers were launched simultaneously on March 2 this year in Davao City Gen. Santos city, Davao Oriental, South Cotabato, Bislig and Tandag in Surigao del Sur. Before initial processing began in Davao City and Davao Oriental, NRDP staffers were given a series of seminar workshops to rid them of their fears in handling rebel returnees.

Laigo explained that processing includes an orientation to NRDP, a thorough medical check-up and classification as to what category a returnee belongs. For the first six months ending in August this year, Laigo reported that some 3,694 clients have been served in centers which include a Regional Bayanihan Center at the SPDA complex in Catalunan Pequeno and two privately run Gambahay sa Pakig-uli in Davao del Sur and Davao del Norte.

All clients are given food assistance if they live outside the centers. The National Manpower & Youth Council (NMYC) has been tasked with providing skills training in short technical courses while the Department of Science and Technology (DOST) provides skills training on livelihood projects.

/9738

**NDF Claims Ambush of Lanao PC Chief**  
*42000080d Davao City THE MINDANAO DAILY  
MIRROR in English 4 Oct 87 pp 1, 10*

[Article by Bobby Timonera, MMNS Iligan Bureau]

[Text] Iligan City (MMNS)—The National Democratic Front operating in the two Lanao provinces (NDF-Northwestern Mindanao) belied military claims that leftist insurgents here have been paralyzed, but admitted

responsibility over the ambush slaying of PC provincial commander Major Eduardo Gallego and the killing of 17 government soldiers in an earlier mine attack.

In a press briefing somewhere in Lanao del Norte Wednesday, Commander Bob, 35, a high-ranking official of the New People's Army in Lanao, said that "our forces have become stronger" contrary to reports that "the military has driven us out of Lanao."

Commander Bob said that 15 NPA operatives planted two land mines and one "claymore" directional mine on a road at Barrio San Roque (some 3 kms from the highway) in the municipality of Kolambagan (50 km SW from here), Lanao del Norte last September 7 after "creating the scenario" to "lure" PC troopers and militiamen to pass through the mined area. Bob was referring to the killing of a CHDF member in an interior barrio in the morning of same day.

He added that a platoon-sized joint PC and CHDF patrol was immediately dispatched to the scene of the killing but land mine explosions at around 2 p.m. forced the soldiers to retreat leaving behind "not less than 17" killed. Bob said two of his comrades were wounded after a short gunbattle before both camps retreated.

The rebel leader, who claimed having monitored the ambush through a handheld radio transceiver in a nearby place, said the soldiers picked up their dead colleagues nighttime.

No report from the military on the alleged incident was released to the press here.

Col. Raul Aquino, commander of the Philippine Army's and Infantry Brigade of the 1st (Tabak) Infantry Division based here, earlier said that the biggest threat in Lanao are no longer the communist and Muslim insurgents but just plain bandits and kidnapers. He added that a massive operation has resulted to the surrender of more than 2,000 rebels and sympathizers crippling the CPP-NPA organization.

Commander Bob, who spoke with Lanao del Norte governor Francisco Abalos through a transceiver set in a radio program to discuss the slaying of Maj. Gallego last week, also admitted that the NPA guerrillas planted the mines that killed the PC chief and one of his escorts last September 21 in Maranding town (80) kms SW from here), Lanao del Norte.

"It was a well planned operation. We're lucky we got the pattern of his (Gallego's) movement," Bob told reporters.

In a mimeographed statement dated September 28 but received Tuesday, the Leonida Henrica Partisan Unit (LHPU) of the NPA's operations command, said that as

a part of its "Operasyon Handog sa Mamamayan," they are now meting out punishment against those who have "blood debts to the Filipino masses as in the case of Maj. Gallego."

"The LHPU decided to kill him (Gallego) because of the people's request to end his life," the statement added.

The LHPU also called on civilians not to ride in military vehicles to avoid being hit in "tactical offensives" to be staged by the NPA. It added, however, that the rebels did not regret having killed a civilian in the Gallego ambush a "he (the civilian) was a (military) informer who is also working to destroy the people's revolutionary movement."

The LPHU was named after Leonida Henrica alias "Ka Jenny," a member of the NDF panel in the failed peace negotiations early this year who was slain by Maranao "traitors" last July. Brother Solitario, MNLF chief for Lanao del Norte, in a press statement a few days after the incident, said Henrica was with a team of NDF "armed propaganda units" when approached by bandits who poised as MNLF members.

Bob also divulged working relations with the Moro Islamic Liberation Front (MILF), one of the three Moro rebel factions operating in Lanao.

the NDF in April this year also forged an informal alliance with the Misuari-led Moro National Liberation Front (MNLF).

"It's now MNLF-MILF-MPA forces against one enemy—the AFP", the rebel leader said. "We did not have much difficulty in forging alliance with Muslims. We have common objectives, common goals, and one common enemy," Commander Bob told reporters stressing that "religion and ethnic differences are not hindrances in forging unity."

/9738

**New Reward Plan on CPP Proposed**  
*42000110d Quezon City MALAYA in English*  
23 Nov 87 pp 1,3

[Text] Military officials yesterday asked the Department of National Defense to update the reward system on the capture of top communist leaders following the identification of some of the top leaders of the Communist Party of the Philippines and its military arm, the New People's Army.

The reward system lists the amounts offered for the capture of rebels, with their names, aliases and positions in the rebel movement.

Col. Oscar Florendo, Armed Forces spokesman, said this must be done following the disclosure of the names and positions of the new CPP-NPA leaders through the rebels' "order of battle" declassified the other day.

Meanwhile, the military released the profiles of Benito Tiamzon, alleged CPP chairman, and Romulo Kintanar, alleged NPA chief.

Tiamzon, alias Cleo, is said to be a member of the CPP political bureau and executive committee. He became the secretary of the Eastern Visayas regional party committee and head of the National Commission for Mass Movement.

Tiamzon's profile says he was an active member of the Samahang Demokratiko ng Kabataan during his college days at the University of the Philippines, where he took his chemistry course. In the late 70s and early 80s, the military said Tiamzon was responsible for the advancement of the rebel movement on Samar island.

"He (Tiamzon) has developed Samar as the strategic rear of the insurgent movement in Luzon that forced the AFP to deploy a large number of its troops to the island," the profile says.

From Samar, Tiamzon moved to Metro Manila "to reinvigorate party activities in the metropolis due to organizational setbacks."

He got married to an alleged CPP member somewhere in Davao in 1985 and has a child living with his parents in Marikina.

Kintanar joined the NPA in March 1972 and was former protege of then renegade Lt. Victor Corpuz. Corpuz surrendered last year and is back in the military service.

The military said Kintanar was a training instructor in guerrilla warfare at Baranngays Bitinan and Sinunoc in Domingag, Zamboanga del Sur. He also presided over a conference at Mt. Malindang, Misamis Occidental, in December 1981, where they discussed plans to harass military detachments in Misamis Occidental and Zamboanga del Sur.

The military said that on Oct. 20, 1982, Kintanar, former political detainee Mila Aquilar-Roque and two others attended a secret conference held at Freddie's Place in Puros Rjah Muda, General Santos City, Rafael Baylosis, described by the military as the CPP secretary general, presided over the meeting with one Moshid Motlib.

The following month, a power struggle reportedly cropped up between Kintanar and Benjamin de Vera over the chairmanship of Kommid. Kommid's leadership was then vacated by Edgar Jopson who died. De Vera's loyalty at the time was questioned by fellow rebels, the military said.

Together with Noel Bortaza, the military said Kintanar presided over a meeting of NPA commanders in Kabudacan, Matalan, North Cotabato in Feb. 12, 1983. They discussed plans to sabotage government projects in Southern and Central Mindanao.

9365

### Priest Writes Tribute to Assassinated Oppositionist

42000086d Cotabato City *THE MINDANAO CROSS* in English 26 Sep 87 pp 4,9

[By Fr. Eliseo R. Mercado, Jr. OMI]

[Text] The name of the youthful Lean was first heard nation-wide when he was elected president of the UP Student Council. He had a boyish look, very lean, "chinito" and with a ready smile. His commitment to freedom and democracy was a passion that guided his youthful dynamism and elan. While the greater majority of his peers were dreaming of lucrative jobs and youthful pleasures, Lean stood out as a selfless young man who was ready to sacrifice everything, even life itself, for a better Philippines.

I first met him at that famous "Lakad Bayan" during its stopover-rally at Mecaueyan, Bulacan in 83. His voice then was soft but firm in commitment against the Marcos dictatorship. I still remember his shy and apologetic tone for not being fluent in Filipino. His training at home, at St. James Academy at Malabon (then under the Maryknoll sisters), and his UP background did not equip him to relate fluently in the language of the masses. His desire to be with the masses, particularly the peasants and the workers made him shed off his own "burgis" way and training.

The second time I met him was when he was elected secretary-general of Bagong Alyansang Makabayan. He was always sitting beside the grand old man of the opposition and chairman of BAYAN, Sen. Lorenzo Tanada. The picture of the old Tanada and the youthful Lean became a symbol of continuity of people's struggle for genuine freedom and democracy. In many ways, Tanada and Lean symbolized the perduring nationalist movement in the country. While Tanada evoked the persistent and solid nationalist struggle, Lean expressed the dynamism and idealism of the same struggle.

At various meetings of BAYAN, the youthful Lean patiently and gracefully steered us, the old "bogeys", of the nationalist movement. In no time, he won our confidence, deep admiration, and respect. The tireless

Lean was always ready to listen to regional reports. He steered the BAYAN secretariate and the whole alliance at the forefront of the nationalist struggle. BAYAN was the vanguard of the opposition against the US-Marcos dictatorship.

The last personal life-sharing I had with Lean was at the BAYAN national council meeting last July 26 and 27, 1987. We had a refreshing talk together about his congressional bid in Malabon-Navotas district (the congressional district of my birth). I was telling him how I tried to convince my clan, including the suitors of my niece to vote for him. In turn, he shared his experiences of the guns, gold and goons of Tessie Aquino Oreta. His campaign was, indeed, energizing notwithstanding the extreme harrassments he and his leaders experienced. He looked at his defeat no as a total loss. The enthusiasm of the workers, fishermen, and the urban poor in their reception of him, strengthened his commitment to go on in the struggle.

Lean to me was not only a personal friend, but a fellow worker and a fellow dreamer for a better Philippines—free, democratic and truly sovereign. The news of his brutal assassination was so revolting that I cried in anguish. A young man, full of life and selfless idealism, was brutally murdered.

Lean's death made me reminisce his brief yet fruitful life. I asked the question how a young man like Lean, very intelligent, well born, with magnificent scholastic background, and a former active member of the Campus Crusade showed so much selfless dedication and commitment to the people's struggle for freedom and democracy?

A dynamic young man like Lean could have easily made him a veritable "technocrat" or executive in any multi-national enterprises. He could have a cozy home and a very lucrative job, but he chose to live a different life. Lean's passion for the motherland and the Filipinos not only of this generation but also for still many generations to come made him firm as a rock in the struggle of a people fighting to be free, democratic, and truly sovereign.

Lean's life though brief is an exemplar of a life totally lived for others. The path he had trodden though full of risk and danger is, indeed, truly life-giving.

Mabuhay ka Lean... Your struggle continues...!

/12913

### Congressman Warns Christians To 'Stop Exploiting Minorities'

42000081b Davao City *THE MINDANAO DAILY MIRROR* in English 15 Oct 87 pp 1, 6

[Text] Gen. Santos City—Congressman Adel Antonino has warned Christians to stop exploiting cultural minorities or "time will come these natives will declare war against us."

In a dialog with local leaders of South Cotabato, Antonino bitterly criticized moves to open up the frontier-lands of Tampakan town.

He said he had witnessed enough exploitation and there was no longer any room for compromise in the protection of natives and their ancestral lands.

Cultural minorities have been continuously pushed into the heart of the hinterlands by Christians far too long, Antonino lamented. "Unless we do something to protect them, time will come that these natives will declare war against us."

Antonino raised the alarm as interest groups sought to open lands presently occupied by B'laan natives to cultivation.

He cited one instance in a community in Lake Sebu, which had been populated by natives. After Christian settlers entered the area, the natives moved out of the area and left their ancestral lands.

"I can say this because I used to hunt in that place," the congressman pointed out.

Antonino said that before any new settlement is opened, a complete survey of the native population should first be conducted, followed by land classification to protect the area's ecological balance.

He further cited provisions in the New Constitution that offered protection for cultural minorities to be treated as equals among Filipinos.

/9738

**Lao Hmong in Tak Race Repatriation**  
42000077d Bangkok *THE NATION* in English  
11 Nov 87 pp 1,2

[Text] Tak provincial authorities plan to repatriate some of about 1,000 hilltribe people to Laos, while others would be sent to refugee camps and their original villages along the Thai-Laotian border.

Official sources said some illegal hilltribe immigrants, most of them Hmong, are among the mountain people, scattered along the Mae Sot-Um Phang Road in Pop Phra and Um Phang districts.

The sources could not tell the exact number of the illegal highlanders, but said they have been living alongside the Thai mountain people for two or three years.

The provincial authorities two months ago requested that the Interior Ministry allocate about 180,000 baht to be spent on the planned relocation, they said.

The request is awaiting the ministry's approval, said a senior provincial official, who requested anonymity.

Local officials learned about the presence of the Laotian mountain people after the government completed a census of the hilltribes in the northern province two years ago.

The sources said some illegal highlanders have crossed the border directly from Laos, while others sneaked out of refugee camps along the Thai-Laotian frontier and moved into Tak.

The illegal mountain people would be screened out from long-stayers, who migrated from other northern provinces including Chiang Rai and Phayao, they said.

Some of them would be forcibly repatriated to communist Laos, while others would be sent back to Baan Vinai and Chiang Kham refugee camps in Loei and Phayao provinces.

Baan Vinai shelters about 38,000 Laotian hilltribe asylum-seekers, while more than 10,000 others are residing in Chang Kham.

A senior army officer, who declined to be identified, expressed concern that some Laotian highlanders might have brought war weapons with them into Thailand.

He said the Third Army Region, responsible for army activities in the North, would support the planned relocation, mapped out by the provincial authorities.

The sources noted that the Thai hilltribe migrants from outside Tak would be sent back to their original villages along the border, mostly in Chiang Rai.

An informed military source earlier said about 2,000 Laotian highlanders are scattered in several provinces in the North.

The source also claimed that the illegal hilltribe people have been involved in deforestation and opium growing in the region.

On another front, local officials in Mae Hong Son Monday called an urgent meeting to map out a plan to push more than 500 illegal Burmese immigrants back into Burma.

The officials said they agreed to forcibly repatriate the illegal Karen, Kayah and Shan ethnic immigrants if they refuse to voluntarily leave Thailand.

The repatriation will be completed before the end of this month, they added.

About 160 people from the three groups are living in Muasng District, while 400 others are in Khun Yuam District of the northern province, they said.

The illegal Burmese have fled fighting between Rangoon troops and minority rebels across the Thai-Burmese border into Thailand.

The officials also blamed the minority immigrants for deforestation in the areas.

In September, local officials in Chiang Rai forcibly pushed a total of 680 hilltribe people back into Burma.

The repatriation drew outcry from the London-based Survival International and hilltribe sympathizers, who described it as "the most brutal offense against the mountain people."

However, senior National Security Council officials have insisted that the repatriation was in line with the government's policy to deter influxes of illegal immigrants from neighboring countries.

/9738

**Central Bank Reviews Foreign Financial Investments**  
42000077b Bangkok *THE NATION* in English  
2 Nov 87 pp 17, 18

[Text] The Bank of Thailand intends to review the role of foreign financial institutions and funds with investment in shares listed on the stock exchange so that their presence can be more beneficial to securities trading.

This was due to the major impact caused by the dumping of shares by foreign funds managers who adjusted their portfolio position in the wake of share price falls worldwide during the past two weeks, leading to an outflow of US\$70 million after profit-taking.

At the same time, the central bank and the Finance Ministry hope that their support to form a fund to support share prices would have some psychological effects in restoring investor confidence in stock trading on the Securities Exchange of Thailand.

The monetary authorities have shifted their stand last week by working out a number of intervening measures after the stock exchange failed to recover after two weeks of price falls.

They have given a receptive ear to calls for some support measures to reverse the situation. Among the measures is the willingness to allow finance and securities companies to have higher stock investment portfolio from 60 percent of their capital fund to 80 percent.

Deputy Governor of the central bank, Chavalit Thanachanan, told THE NATION at the weekend that the authorities hope the endorsement and blessings for the measures proposed by the financial community at the weekend would boost confidence in the market.

The authorities plan to jointly form a fund with private banking and financial institutions to buy blue-chip stocks listed on the exchange. This became possible when the world's major stock markets showed signs of recovery last week.

Chavalit said that the main factor lies in whether the US can solve the chronic problems concerning the budget and balance-of-payment deficits.

In the formation of a fund, well-informed sources aid it was initially proposed that the Thai Bankers' Association, Association of the Members of the Securities Exchange and the Association of Thai Finance Companies should jointly contribute an amount of 5,000 million baht to halt the adverse situation and restore investor confidence.

The purpose for setting up the fund is to bring the share prices back to a level close to that in April. This has received support from Bangkok Bank, Krung Thai Bank, Thai Farmers Bank and Siam Commercial Bank.

The banks listed on the stock exchange also fear that the share prices would fall further. However, the associations of brokers and finance companies proposed an initial amount of 2,000 million baht and more money would be sought if the situation warrants.

The authorities have asked SET President Dr Maruey Phadoonsidhi to discuss the issue with the three associations and decide the start-up amount.

Asked to comment on the increase in the investment level in the portfolio of finance and securities companies, Chavalit said that so far only five firms have reached the ceiling of 60 percent of their capital fund. The central bank is willing to permit higher level on a case-by-case basis.

The SET Board of Directors will discuss a proposal of brokers for the maximum price swing to vary between 10-30 percent so that shares with good fundamentals could have suitable range of adjustments. The stock exchange reduced the maximum price swing from 10 to 5 percent last week to prevent a quick decline in share prices when bearish sentiment still dominated the market.

Since October 19, the SET index has declined by 174.03 points from 472.86 to 299.83 last Friday. The share prices of listed and authorized companies hit the floor level on almost every trading day. It is close to the index of 244.21 on April 17, this year.

The authorities and brokers admitted that some share were overpriced before the fall and this was a major factor why the authorities concerned, still hoping that market corrections would fulfill their purpose, had delayed their intervention in the market. They stepped in only after witnessing that investors were losing confidence in the market.

This was evident when small investors decided to sell securities. The price fall was influenced by the dumping of foreign investors whose holdings are believed to actually range between 20-25 percent instead of 10 percent as limited by the government. The additional holdings were taken care of on their behalf by local front men or illegal nominees.

The Thai securities have attracted foreign funds, mostly open-ended, because they can come and go whenever they want. The dumping of shares by foreign fund managers was to boost their short-term liquidity and profit-taking when share prices fell on the world's major stock exchanges.

From officials in charge of foreign exchange control of the central bank, there was an outflow of US\$70 million disguised as commercial profits. But the authorities could establish that it was the profit from share price dumping by foreign investors. The outflow began when the share prices start plunging.

The incident has prompted the central bank to review the role of foreign fund managers who operated through four or five brokers so that there would not be severe impact on the stock exchange in the future.

Sources said that two foreign financial institutions have proposed to invest here in the form of closed-ended private placement because of the favorable fundamentals here, such as good economic performance, low interest rates and ample liquidity.

They want the Mutual Fund Co Ltd to act as the manager for the private placement—the sales of securities with fixed period—because the company is the only one with permission from the central bank to operate investment management.

Chavalit said that such investment is favorable when the stock market situation is normal. If there is a crisis in foreign stock exchange when foreign fund managers have to adjust their portfolios, then there would be impact on local stock trading.

"We will discuss how their presence can be more beneficial to the local stock trading situation," he said.

/9738

**Bangkok Governor Chamlong on Change to Constitution**  
*42000077a Bangkok BANGKOK POST in English*  
*27 Oct 87 pp 1, 3*

[Article by Ampa Santimatanebol and Banyat Tasanee-yavej]

[Text] Bangkok Governor Maj-Gen Chamlong Srimuang yesterday called for a change in the constitution to separate the administrative and legislative branches of government.

In an interview marking his two years in office on November 20, the governor said a constitutional change cannot be achieved unless MPs are prepared to sacrifice their power, particularly the right to become ministers.

Unless the branches are separated, the present political situation of vote-buying and the pre-occupation of trying to topple the government will continue at the expense of democratic development, the governor added.

Maj-Gen Chamlong's comments followed recent questions raised by Army Chief-of-Staff Gen Charuay Wong-sayant on how individual rights and full sovereignty for the people can be established in order to eradicate the communist threat.

While outlining the Internal Security Operations Command's objective in embarking on a political offensive to counter communism, Gen Charuay asked whether these objectives could be achieved by adopting the "one-man-one-vote" system, implementing compulsory voting and reducing the voting age from 21 to 18 years. The one-man-one-vote system means candidates of each party will contest under the same ticket in provincewide constituencies in which winner takes all the seats.

These suggestions to change the electoral and parliamentary process have been seen as yet another military attempt to broach the issue of changing the constitution.

While supporting a separation of powers, Maj-Gen Chamlong didn't say whether he supports the "one-man-one-vote" system, other than saying it was a minor detail to be worked out.

He supports, however, the lower voting age but did not say whether the prime minister should be elected by the people under a separation of powers.

The governor said that under a separation of powers, the prime minister could be chosen by elected MPs, emphasizing that this again, is a minor point.

The governor said there is concern not only within the military, but with the public at large, over the present state of politics and democracy in the country.

"I think the main reason there is vote-buying is that once they become MPs, they are confident that if they become ministers the chance of gaining wealth illegally exists."

"The pre-occupation of toppling the government adversely affects the people," he said. "For this reason—and some people may or may not agree—I believe that there should be a separation of powers."

Under that system, MPs would be true representatives of the people, he said, and a model already exists in the Bangkok Metropolitan Administration.

"If the BMA uses the same system as Parliament, there would have already been many changes in the administration. Up until now, there is no power or group that has been able to force this (BMA) administration to do anything that is not right."

Governor Chamlong said Thailand should consider a system which suits the people and country and should not wholly adopt systems of foreign countries but pick and choose certain aspects.

"The one-man-one-vote issue is a minor detail. The main issue is what to do to stop the constant attempt at toppling one another," he said.

Passing of a law to oblige people to vote is one way of increasing public participation in the democratic process but conflicts with the idea of individual freedom, the governor said.

But if the system (the separation of powers) exists and more people who are willing to make sacrifices run for Parliament, more people would vote, he said.

Governor Chamlong said, however, that a constitutional change is not possible unless MPs are willing to make sacrifices. "There must be sacrifices. If there is no sacrifice then it can't be done."

Commenting on Interior permanent secretary Phisarn Moolasartsatghorn's suggestion that the Reserves for National Security (Kor Nor Chor) become a political force, and reports that other groups are planning to form political parties for the next general elections, Maj-Gen Chamlong said a larger number of political parties was desirable since the people would get a greater choice.

But if these groups are set up by using government apparatus, they would not be true representatives and could not look after the interests of the people.

Asked if his reluctance to commit himself and enter politics indicated fear and selfishness, Maj-Gen Chamlong said:

"I am not trying to save myself. I can take the risks. But if I take the chance and can't do any benefit for society what's the use?"

Governor Chamlong said that if he set up a political party and gained about 30 seats in Parliament and two ministerial posts, he would not be able to do as much as he can now as Bangkok Governor.

"I'll be like a rubber stamp," he said.

Maj-Gen Chamlong said two or three groups preparing to set up parties had approached him with offers of support.

"But I have never asked them for details (on the progress of their work)."

The Governor said he is constantly a target of certain people who fear he may be a political threat.

"There is a campaign to discredit me," he said.

"These people are constantly spreading rumors to blacken my name."

/9738

**Central Bank Governor on Stronger Baht**  
42000077c Bangkok *THE NATION* in English  
10 Nov 87 p 17

[Text] Bank of Thailand Governor Kamchorn Sathirakul said yesterday that the strong Thai economy will be able to withstand further fall in the US dollar against major currencies—even if the baht appreciates to 25 baht per dollar.

Meanwhile, leading bankers have started to reassess the outlook of the Thai economy as a result of foreign exchange uncertainties and the decline in shares prices both in the Thai and foreign stock markets.

Dr Olarn Chaipravat, executive vice president of Siam Commercial Bank, said he has revised the Thai economic growth rate down to 7.1 percent from 7.4 percent. Growth rates for both exports and imports next year have also been revised downward.

The baht yesterday rose by one stang to 25.44 baht per dollar. Kamchorn said the central bank has ample room for maneuver even if the baht appreciates to 25 baht per dollar. Further appreciation of the local currency beyond this point would, however, force a review of the current foreign exchange policy.

He described the current decline in the US dollar against other foreign currencies as the events, which have occurred on the stock exchanges during the past three weeks known as "stock observer," when the authorities had to step in to regulate the market to maintain stability.

Kamchorn said the baht, however, has not appreciated rapidly against the US currency. The change from day to day has not been more than seven stang.

Asked about the short-term capital outflow for loan repayment, where the authorities cannot intervene, Kamchorn said this would reduce the country's external debt.

But in case of outflow for investment purposes, he said the central bank will monitor the trend carefully. The outflow is in fact limited within ceiling on net forex holding of banks at 20 percent of their capital fund.

Sources said that central bank economists have been discussing the US dollar issue informally and they think that the country would be able to withstand the consequences of the Thai currency appreciating to 24 baht per US dollar.

Siri Ganjarerndee, the central bank spokesman, said the business community should not look at the baht-US dollar relationship per se but at the baht and all other currencies.

He said that the effective exchange rate for the baht has in fact declined by 20 percent against other major currencies on an average.

Speaking at a seminar organized by Association of Members of the Securities Exchange, Olarn said the recent crash on major foreign stock markets will slow down the growth of the Thai economy this year and the next.

He expressed confidence that a group of 10 industrialized nations would reach an agreement to help the US reduce trade deficits shortly.

The banker, meanwhile, revised the forecast for economic growth next year down to 6.8 percent from 7.9 percent because of the event during the past three weeks on the stock market where share prices have tumbled.

He said the dollar's decline against major currencies will have some effect on the country's exports.

The country's exports, expected to grow by 23-24 percent this year have now been revised downward and are now expected to decline to 10-15 percent next year from an earlier projection of 20 percent.

Stronger export performance can be expected in the Japanese and European markets whose currencies have appreciated significantly against the baht.

This year's anticipated import growth at 30-34 percent is expected to decline to 10 percent next year. The revision will mean healthier trade figures.

### Interbank Rate Deadlock

In another development, Olarn said that Siam Commercial Bank is the only bank now opposing the joint effort of seven major banks to set a floor on Interbank interest rates.

However, he said Siam Commercial Bank has to abide by the majority decision of banks which have agreed to the floor rates.

Kamchorn, in his comments, did not give a clear answer about the view of the central bank on this issue. He merely said that the cooperation was better than "for banks to compete and kill themselves".

He declined to admit that the cooperation is a form of cartel saying that the matter should be better explained to the public.

/9738

### Measures Prepared for Currency Market

42000077e Bangkok THE NATION in English  
2 Nov 87 p 25

[Text] The Bank of Thailand, witnessing the fall of the US dollar, is preparing measures with the liquidity of 10-12 billion baht for the currency market to cope with a possible capital outflow if the greenback weakens further.

The declining dollar against the Japanese yen and Deutschmark since October 29, has resulted in the strengthening of the baht which was fixed at 25.62 baht on Friday compared with 27 baht when the Thai currency was devalued on November 5, 1984.

The stronger baht is a concern for the central bank because it can have impact on the country's economy, particularly the competitiveness of products in international markets.

Well-informed sources said that possible short-term results from the stronger baht include capital outflow. But the central bank has enough room for maneuver since the country's foreign reserves are about US\$5 billion and with ample liquidity in the money market, the negative impacts by the falling dollar can be reduced considerably.

The sources said it is still too early to detect any adverse impacts on Thailand's economy. They said central bank officials remain confident that the monetary agency can cope with a sudden capital outflow. A maximum in baht terms, have been estimated at between 11-12 billion and the central bank can accommodate the local money market if such capital outflow occurs.

The central bank still maintains diversification of foreign currencies for the stability of the country's international reserves. Another measure is to keep ample liquidity to cope with an adverse situation.

Vijit Supinit, director of the Banking Department, who has been closely monitoring the situation since early this month, said that the capital inflow and outflow so far showed no unusual trend because the two were matched.

"We are prepared, however, to cope with a deteriorating situation. The local money market still has enough liquidity. Normally, at the end of each month, liquidity is tight due to much demand for money but this was not so at the end of October," he said.

Whether or not the falling dollar will influence changes in monetary policies depends on the extent of its impact on world economies. Corrective measures have to be implemented if there is an economic slump. Vijit said the dollar's decline was expected to slow down world's economic growth next year to half of this year's.

"The impact on Thailand may be slow but we can adjust our position within six to 12 months. There is nothing to worry about at present," he said.

The central bank's concern was not limited to only large capital outflows but its influence in causing changes to the country's monetary policy. Spokesman Dr Siri Ganjarernde said it was too early to comment on the chain effects of the falling dollar.

The central bank has drawn up a number of scenarios including a crash in international money market, possible world economic recession, and falling prices for agricultural commodities. Dr Siri said a number of policies will be reviewed on a broad spectrum such as possible effects on the consumer price index and growth in housing expansion.

He is also confident that the country can absorb the impact of the falling dollar because the Thai economy is much better than in previous years and frequent adjustments will enable it to cope with whatever fluctuations.

But the meeting of the Exchange Equalization Fund chaired by Finance Minister Suthee Singhasaneh on Friday showed confidence in the stability of the baht whose value is based on a basket of currencies. The Thai currency has weakened against the German mark, the Japanese yen by 37 and 39 percent respectively since its devaluation to 27 baht in 1984.

/9738

## POLITICAL

### Ten Years of Cooperation With Laos Commemorated

42000118a Hanoi VIETNAM COURIER in English  
Sep 87 p 16

[Article by Nguyen Vinh]

[Text] The Socialist Republic of Vietnam and the People's Democratic Republic of Laos have recently commemorated the tenth anniversary of the signing of the Treaty of Friendship and Cooperation between the two countries (July 18, 1977-July 18, 1987). The Treaty marks a new development in Vietnam-Laos relationships which have deep historical roots. The two nations not only share a common border but their destinies have had much in common. Standing shoulder to shoulder for over 50 years against aggression and attempt at enslavement by colonialism and imperialism, the Vietnamese and Lao peoples have found themselves linked ever closer to each other.

The July 1977 Treaty is an official and concrete testimony to this special relationship.

In the past ten years the twinning of provinces of the two countries has developed apace. Relying on their close geographical positions, the twinned provinces have helped each other in their development. Vietnamese skilled workers and experts have assisted and shared their experience with their Lao friends. In the agricultural field for instance, rice strains suited to hilly areas have been offered by Vietnamese agronomists to Lao agricultural cooperatives. The two sides have also exchanged experiences on the management of agricultural production in regions with a scattered population in Laos at present. The building of a new life, the boosting of medical, cultural and social work at local level are matters of constant concern to both Vietnamese experts working in Laos and Lao cadres coming to Vietnam to learn from our experience. In some contiguous provinces, twinning and cooperation have taken place between districts and even communes.

Economic, cultural and social cooperation has reached the stage of integration and joint enterprise on the basis of voluntariness, equality and mutual advantage. In almost every branch, there has been cooperation and assistance in the spirit of socialism. Many achievements have been scored and useful lessons drawn.

According to preliminary figures, Vietnam has helped Laos work out overall development plans for 19 districts in three provinces: Vientiane, Champassac and Savannakhet; offered Laos a number of poultry and cattle strains and grass strains as well; conducted surveying and designing work for a number of small-scale hydropower stations, water conservation and geological projects; built for Laos 1,350 km of road with scores of bridges in mountainous areas difficult of access; restored a number

of Lao towns damaged or destroyed during the war; built 88,000 sq.m. of housing space and a number of brick-and-tile factories with a capacity of between 1.5 to 7 million items a year.

At present, the problem of quality and efficiency has become the main orientation and the constant concern of both the Vietnamese and Laos sides in promoting cooperation. Changes have also been brought to the forms of cooperation. Says Le Hung, acting-Director of the No. 8 Union of communications enterprises under the Ministry of Transport and Communications: "Our Union plans to muster skilled manpower and a large number of machines in works done for our friends so as to achieve high efficiency and quality. At State level long-term plans extending over 5 or 10 years must replace short-term one-year plans. This will facilitate planning at enterprise level. The need is also felt for unified regulations and norms in pricing, materials consumption, account-clearing, and policies with regard to Vietnamese working in Laos. Procedures for the granting of entry, exit, and transit visas to personnel of both sides should also be simplified.

/06662

### Draft Land Act Draft Published for Comment

42090015 Hanoi NHAN DAN in Vietnamese  
21 Aug 87 pp 1, 3

[Draft Land Act of the Council of State, 10 Aug 87]

[Text] Land is an extremely precious natural resource; an irreplaceable means of production for agriculture and forestry; and assets for distribution of residential areas and construction of economic, cultural, social, public security, and national defense installations. Through many generations our people have expended much energy, and flesh and blood to exploit, invigorate, improve, and protect our land assets as they exist today.

In order to heighten the sense of responsibility of all organizations and individuals toward protecting and using land and protecting the environment, to strictly regulate the management and use of land, to rationally and effectively exploit the land potential, to contribute to socialist transformation, to ensure social justice, to gradually bring agriculture and forestry to large-scale production, and to serve the construction and defense of the socialist Vietnamese fatherland; on the basis of articles 19, 20, and 83 of the Constitution of the SRV; this act determines the system of management and use of land.

#### Chapter I. General Rules

##### Article 1

The land is owned by all the people, i.e., by the state, and are put under unified state management.

The state assigns the land to organizations and individuals (from here on called land users) for stable long-term use.

In addition, the state can also assign lands for use in specific periods or for temporary use.

People who are using lands are allowed by this act to continue using them.

## Article 2

The state encourages investing labor, materials, and capital in and applying scientific and technical achievements to:

—Practicing intensive cultivation and growing of additional crops, and raising the economic effectiveness of the use of land;

—Breaking the soil, opening new land, extending land into the sea, and covering bare land and hills with crops in order to increase the areas devoted to agricultural production, forestry, growing of marine crops, and salt-making;

—Protecting and improving the soil, and raising its fertility.

## Article 3

The state ensures for land users legitimate interests on the assigned land, including the right to transfer, cede, and sell the fruits of their labor and the results of investment in the assigned land according to law.

## Article 4

All land users—state organs, state farms, state forests, work sites, enterprises, cooperatives, production collectives, people's armed units, social organizations, and individuals—are responsible for implementing the state policies aimed at protecting, improving, invigorating, and rationally and economically using the land.

Land users must pay tax according to law.

## Article 5

Strict prohibition is imposed on purchasing, selling, and illegally seizing land; leasing land and collecting rent; taking assigned lands without using them; using land for wrong purposes; and deliberately using agricultural and forest lands for purposes other than the intended ones and thus destroying them.

## Article 6

The National Assembly has the right to decide about and the supreme supervisory authority over the management and use of land throughout the country.

The Council of Ministers holds the state management right over the use, protection, and improvement of land.

People's councils and people's committees at all levels carry out the state management of land in their localities according to the authority defined in this act.

Chiefs of sectors, within the limits of their authority and responsibility, organize and manage the use of the lands which the state has assigned to the organizations in their sectors.

Land management organs, both central and local, have the task of assisting the Council of Ministers and people's committees at all levels in carrying out the unified state management of land.

## Article 7

The Fatherland Front, Trade Union, Collectivized Farmers Association, Ho Chi Minh Communist Youth Union, Women's Union, scientific associations, and other social organizations, in accordance with their own statutes, as well as all citizens, have the duty to support the state organs for carrying out the measures aimed at protecting land and using land in a rational and economical manner.

The state organs are responsible for fully considering any petitions submitted by social organizations and individuals in connection with carrying out the measures aimed at protecting and using land.

## Article 8

On the basis of the major uses of land, land is divided into the following categories:

1. Agricultural land,
2. Forestry land,
3. Residential-area land,
4. Specialized-use land,
5. Unused land.

## Chapter II. System of Management of Land

### Article 9

The state management of land consists of:

1. Investigation, exploration, surveys of land, and cadastral mapping;
2. Drafting of land-use projects and plans;

3. Determination of procedures and rules for management and use of land, and organization of implementation of such procedures and rules;
4. Assignment and taking back of land;
5. Registration of land, establishment and keeping of cadastral books, and assembling of land statistics;
6. Inspection in connection with implementation of land-management and land-use procedures and rules;
7. Settlement of land disputes.

#### **Article 10**

Under the unified leadership of the Council of Ministers, provincial and municipal people's committees subordinate to the central administration and equivalent administrative units must organize and provide the subordinate people's committees with guidance for carrying out investigation, exploration, and surveys of land, and making cadastral maps of villages and equivalent administrative units.

#### **Article 11**

Drafting projects and plans for use of land:

1. The drafting of projects and plans:

- a. The Council of Ministers drafts land-use projects and plans for the entire country;
- b. People's committees at all levels draft projects and plans for the use of land in their own localities;
- c. Sectors draft projects and plans for their own use of land.

2. The authority to examine and approve land-use projects and plans is determined as follows:

- a. The National Assembly approves projects and plans for the use of land in the entire country; people's councils at all levels approve projects and plans for the use of land in their own localities before submitting them to the higher authorities for direct examination and approval;
- b. The Council of Ministers examines and approves land-use projects and plans of central sectors, provinces and municipalities subordinate to the central administration, and equivalent administrative units;
- c. People's committees at all levels examine and approve land-use projects and plans of the people's committees directly subordinate to them;
- d. People's committees at all levels, along with superior sectors, examine and approve land-use projects and plans of the same sector in the localities;

- e. In the case land-use projects and plans need revision and adjustment, there must be agreement of the state organ having the authority as determined in item 2 of this article.

#### **Article 12**

A decision to assign land must follow these rules:

1. On the basis of the land-use projects and plans that have been approved by the responsible state organ as determined in item 2 of article 11 of this act;
2. On the basis of the need for use of land mentioned in the economic and technical arguments and in the planning process approved by the responsible state organ;
3. The decision to assign land that is being used to another person can be made only after there is another decision to take back this land made by the responsible state organ as determined in article 15 of this act.

#### **Article 13**

Authority of the state over assignment of land.

1. The Council of State approves the Council of Ministers' annual plan for assigning agricultural and forest land for other uses.

2. The Council of Ministers approves annual plans, drafted by the people's committees of provinces and municipalities subordinate to the central administration and of equivalent administrative units, for assigning agricultural and forest land for other uses.

On the basis of the land-use projects and plans that have been approved by the National Assembly and the annual plan for switching agricultural and forest land to other uses that have been approved by the Council of State, the Council of Ministers makes any necessary decisions about assigning land for different uses.

3. The people's committees of provinces and municipalities subordinate to the central administration and of equivalent administrative units make decisions about:

- a. Assigning land to state-operated organizations for agricultural and forestry-related uses;
- b. Assigning agricultural and forest land for nonagricultural and nonforestry-related uses, with these limits: (1) For each project outside of the plan, 1 hectare or less; (2) For housing construction in a village, .5 hectare or less per year;
- c. Assigning land for communications and water conservancy construction projects within the plan, which have been approved for planning by the responsible state organ;

d. Assigning specialized-use land to organizations for use for special purposes and residential-area land to them for residential use in accordance with regulations issued by the Council of Ministers.

4. People's committees of districts, cities, and municipalities subordinate to provinces make decisions about:

a. Assigning land to cooperatives, production collectives, and individuals for long-term use in agriculture and forestry;

b. Assigning unused land to organizations and individuals for specific periods or on a temporary basis for productive purposes in agriculture and forestry;

c. Assigning rural residential-area land to the people for housing construction according to plans that have been approved by the people's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units.

5. People's committees of districts have the authority to assign land as determined in points a and b of item 4 in this article.

6. Decisions about assigning residential-area land in urban areas are made by the people's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units according to plans approved by the responsible state organ. The Council of Ministers determines the timetable and procedures for assigning residential-area land in urban areas.

#### Article 14

The state takes back all or part of the land that has been assigned for use in the following cases:

1. The organization that uses the land has been dissolved or has moved;

2. All of the members of a household using the land have moved or are dead;

3. Land users voluntarily return the assigned land;

4. The time for use of land has expired;

5. Land users fail to use the assigned land for a full year without the permission of the responsible state organ that has assigned it;

6. Land users seriously violate the regulations on land use;

7. Land has not been assigned by the right authorities as determined in article 13 of this act;

8. Land is needed for use to satisfy the needs of the state or society.

#### Article 15

Authority to decide about taking back land.

The organ that has the authority to assign land has the authority to retrieve the same land.

In the case there are urgent needs due to war or to fighting storms and floods, decisions to retrieve land are made by the people's committees of districts, precincts, municipalities subordinate to provinces, and cities in accordance with proposals made by military commands or organs in charge of fighting storms and floods of the same level.

#### Article 16

Transfer of the right to use land is made only in the following cases:

1. When farmer households join cooperatives or agricultural and forestry production collectives;

2. When cooperatives, agricultural production collectives, and individuals agree to exchange land among themselves in order to reorganize production;

3. When the persons assigned the land have moved or are dead but members of their households still continue to use the land.

Decisions about transferring the right to use land as mentioned in this article are made by village people's committees if in the countryside and by the people's committees of precincts, districts, cities, and municipalities subordinate to provinces if in cities.

#### Article 17

Transfer of the right to use land where houses exist.

People who inherit houses or do not have a house to live in, upon receiving houses transferred to them for occupancy, after the responsible state organ has recognized their right to own such houses, now have the right to use the land where the houses exist.

#### Article 18

Registration of land, establishment and keeping of cadastral books.

1. People's committees of districts, municipalities subordinate to provinces, cities, and towns, and people's committees of villages subordinate to districts are to carry out land registration, to keep cadastral books, and to make entries of unused land in cadastral books.

2. When the responsible state organ grants them permission to change the purposes of using land or to transfer the right to use land, land users must apply for registration of land with the state organ mentioned in item 1 of this article.

## Article 19

Assembly of land statistics.

The Council of Ministers periodically organizes the assembling of land statistics, which include both quantitative and qualitative data, so as to satisfy in time any needs in connection with the management and use of land.

## Article 20

Inspection of land.

The Council of Ministers and people's committees at all levels organize inspection of land in the localities under their management.

Central and local land management organs are to assist the Council of Ministers and people's committees at all levels in carrying out land inspection.

When they carry out land inspection, inspection groups or inspectors have the right to:

1. Ask the organizations and individuals concerned to supply them with documents necessary for the inspection.
2. Temporarily stop the use of the lands which have not been used according to law.
3. Address petitions to the responsible state organs asking them to handle any acts of violating the land law.

## Article 21

Disputes about the right to use land are to be settled by the people's committees where the land in dispute exists, with the authority to settle them being distributed as follows:

1. People's committees of districts, precincts, cities, and municipalities subordinate to provinces settle disputes among individuals, between individuals and organizations, and among organizations which are under their management.
2. People's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units settle disputes between individuals and organizations and among organizations, if the latter are under their own management or are subordinate to the central administration.

3. In case of disagreement with a people's committee about its decision in the settlement of a dispute, the parties concerned have the right to appeal it to a higher organ of the administration. The decision of the latter is to be effective and carried out.

## Article 22

When they settle disputes about houses and other structures or about perennial plants, people's courts also have to settle the right to use the land where these houses, structures, or perennial plants exist.

## Chapter III. System of Use of Land

### Part 1. Agricultural Land, Forest Land

#### Article 23

Agricultural land is defined as land that is primarily used in agricultural production like crop growing and animal husbandry (including growing of marine products), or for conducting research and tests having to do with crop growing and animal husbandry.

#### Article 24

Users of agricultural land have the obligation:

1. To put the assigned land into agricultural production according to the projects or plans concerned, and not to leave it uncultivated and fallow;
2. To take intensive-cultivation and multicropping measures, to protect and improve the soil, and to combine agriculture with forestry.

#### Article 25

Forest land is defined as land that is primarily used in forestry for productive purposes, such as afforestation, exploitation of forests, forest zoning, and improvement of forests, and for conducting research and tests in connection with forestry; forbidden forest land and state parks; and land for afforestation aimed at protecting watersheds and the soil and improving the environment.

#### Article 26

Users of forest land have the obligation:

1. To seriously obey the law concerning managing, exploiting, and protecting forests and forest land and not to deliberately destroy or set fire to forests, nor to destroy the environment;
2. To grow new trees to cover the land assigned to them according to projects and plans; to take necessary measures for achieving intensive cultivation, protecting the soil, fighting erosion, and combining forestry with agriculture.

## Article 27

Land used in the family-based economy.

1. Agricultural and forestry production cooperatives are allowed to assign some members' households some agricultural and forest land out of the land they have been assigned by the state for stable long-term use so as to let these households engage in family-based economic activities.

People's councils of provinces, municipalities subordinate to the central administration, and equivalent administrative units determine the size of land that can be assigned to a household in different areas in their localities—each individual can get 5-10 percent of the average size of agricultural and forest land of the total population of the village concerned, and each household cannot get more land than the limits set for different regions as follows:

- a. The highlands and central highlands: 2,000 square meters;
- b. The midlands, eastern Nam Bo, and Mekong River delta: 1,000 square meters;
- c. The Red River delta and the central delta between Thanh Hoa and Thuan Hai Provinces: 400 square meters.

2. State farms, state forests, and agricultural and forestry stations and farms are allowed to assign their members' households some agricultural and forest land out of the land they have been assigned by the state for stable long-term use so as to let these households engage in family-based economic activities, but each household cannot get more land than the limits set for different regions as follows:

- a. The highlands and Central Highlands: 1,000 square meters;
- b. The midlands, eastern Nam Bo, and Mekong River delta: 500 square meters;
- c. The Red River delta and the central delta between Thanh Hoa and Thuan Hai Provinces: 200 square meters.

## Article 28

Land used for production by individual farmers.

Individual farmers' households are assigned land by the state for stable long-term use in agricultural and forestry production on the basis of the land they currently use.

On the basis of land capacity, local plans for land use, and land-using capacity of different types of households, people's councils of provinces, municipalities subordinate to the central administration, and equivalent administrative units determine the size of land to be assigned to different types of individual farmers' households in the locality on the basis of the average size of agricultural and forest land calculated for the population of each village.

## Article 29

Use of uncultivated and fallow land in agricultural and forestry production.

1. In the localities where there is unused land, people's committees of districts, precincts, cities, and municipalities subordinate to provinces can assign this type of land to organizations or households of members of agricultural and forestry cooperatives, state farms, state forests, and agricultural and forestry stations and farms and to cadres, workers, civil servants, and the people for use in agricultural and forestry production.
2. In the case of uncultivated land, bare hills, and depleted forests, they are assigned for crop growing and animal husbandry in accordance with the policies on assignment of land and forests; the size of land to be assigned to each organization and individual is not limited and depends on their capacity to use it.
3. When land is assigned according to items 1 and 2 of this article, the purposes and duration of its use must be determined in order to let land users feel reassured as they do productive work, with appropriate earnings compared to the labor they expend for each crop and animal they raise.
4. Land assigned as mentioned in this article is not included in the size of lands assigned for family-based economic activities or assigned to individual farmers as mentioned in articles 27 and 28 of this act.

## Article 30

The state encourages all organizations and individuals in various economic sectors to invest capital in order to use land in agricultural and forestry production in those areas where there exists plenty of unused land or land is now used with poor results.

The state has many policies on investment, building of the material and technical base, recruitment and hiring of laborers, exemption and reduction of tax, and farm product prices aimed at encouraging everybody to fully use land in agricultural and forestry production.

## Article 31

Use of garden land.

Garden land is included in the land assigned to cooperative members for family-based economic activities or to farmers still doing individual productive work; as to the rest of it garden owners are allowed to continue using it in agricultural and forestry production.

The state has the policy of encouraging and protecting the interests of all organizations and individuals engaged in intensive cultivation and in raising the yields of crops grown in garden land, and using unoccupied land and bare hills to turn into gardens according to plans.

Gardens cannot be established in rice-growing land, except when permission to do so is granted by people's committees of districts, precincts, cities, and municipalities subordinate to provinces in accordance with land-use plans approved by the people's committees of equal rank.

On the basis of the needs for development of the national economy, land capability, and crop-growing habits in different localities, the Council of Ministers determines various forms of organizing production and appropriate policies to be adopted in different regions for the purpose of developing production, stabilizing the living conditions, and obtaining more products for society.

### Article 32

Churches, pagodas, and holy places which are using land can be assigned by the state the same land to use if there are legitimate needs and they are capable of using it in an effective manner. People's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units rely on the state policy on religion to decide the size of land to be assigned to these churches, pagodas, and holy places.

## Part 2. Residential-area Land

### Article 33

Residential-area land is defined as land for construction of cities and rural residential areas.

### Article 34

The use of residential-area land in cities must conform to the rules on different kinds of land mentioned in this act and at the same time agree to the general regulations of municipalities, cities, and towns. The use of land to build houses in cities must fully agree to the rules set by the Council of Ministers for using land in municipalities, cities, and towns.

### Article 35

The use of residential-area land in the countryside must conform to plans and be favorable for production, the people's living, and social management. Existing residential areas must be fully used, and efforts must be made to limit extending residential areas into agricultural land.

Land in residential areas can be assigned only to the households that do not as yet have houses.

On the basis of the land capacity in different regions people's committees of provinces, municipalities subordinate to the central administration, and equivalent administrative units determine the size of land to be assigned to each household, but the limits set for different regions as follows cannot be exceeded:

- a. The highlands and Central Highlands: 300 square meters;
- b. The midlands, eastern Nam Bo, and Mekong River delta: 250 square meters;
- c. The Red River delta and the central delta between Thanh Hoa and Thuan Hai Provinces: 150 square meters.

## Part 3. Specialized-use Land

### Article 36

Specialized-use land is defined as land that is not used for any purposes having to do with agriculture and forestry, nor as residential-area land: land used for construction of industrial, scientific and technical, communications, water conservancy, cultural, social, and services installations; land used for public security and national defense needs; land used for exploration and extraction of minerals; land for salt making; land for the making of pottery, bricks and tiles, and other building materials; land where historical and cultural monuments and sights exist; cemetery land; and land covered by water used for nonagricultural purposes.

### Article 37

The use of land to build industrial, scientific and technical, communications, water conservancy, cultural, social, and services installations, in addition to obeying the rules set in this act, must also conform to the needs for land use as mentioned in the econotechnical arguments drawn up for each project.

### Article 38

The use of land for public security and national defense purposes is ensured in terms of fully satisfying the needs involved and being in the appropriate location according to projects and plans approved by the responsible state

organ. When this kind of land is used, absolute efforts must be made to use as little land as possible and to cause the least inconveniences for the use of land in adjacent areas.

#### **Article 39**

Only the organizations that have been assigned by the state the task of exploring and exploiting minerals can use land to achieve this task.

Land used for exploration and extraction of minerals (including extraction of stone) is assigned only for the actual time of exploration and extraction; when this use is completed, it must be returned in the state that has been determined in the land-assignment decision of the responsible state organ.

#### **Article 40**

The state assigns land for salt making to organizations or individuals for production of salt; this land is assigned on the basis of land being currently used.

The salt-making areas that offer high productivity and good quality must be protected and used on a top-priority basis for salt production.

The state encourages the use of any areas that have a salt-making capacity in order to serve better society's need for salt.

#### **Article 41**

The use of land for the making of pottery, bricks and tiles, and other building materials is assigned for specific periods of time.

Land used for the making of bricks and tiles must be first of all nonagricultural land on hills, small hills, empty plots, river beds, ponds and lakes that need dredging to become deeper, nonproductive river and stream banks, back-up dikes that need to be removed, and land that results from improvement of farm land.

In the case the above-mentioned lands are not available, various types of poor land can be used, but absolute savings must be achieved. After it has been used, the assigned land must be immediately restored for agricultural production and for raising marine products.

Land used for the making of pottery or unbaked bricks and tiles can be selected in appropriate areas but should not bring about losses for agricultural and forestry production.

Only the organizations or individuals that are granted permission from the responsible state organs can use land designated for the making of pottery, bricks and tiles, and other building materials.

#### **Article 42**

Historical, cultural, and scenic land is defined as land where historical and cultural monuments and sights as designated by law exist.

This land must be strictly protected.

When it is necessary to use historical, cultural, and scenic land for other purposes, the state organs responsible for assigning land must grant permission, in which the Minister of Culture must concur.

In the case there is no concurrence from the Minister of Culture, the head of the project concerned has the right to submit a petition to the Council of Ministers.

#### **Article 43**

Land used as cemeteries must be planned a a concentration area being far from any residential areas, convenient for burials and visits, sanitary, and economical in terms of land use.

#### **Article 44**

Land covered by water defined in this article includes land being part of the territorial sea, rivers, swamps, and large lakes, and being used for nonagricultural productive purposes.

On the basis of the primary uses defined for different types of land covered by water, the state assigns these lands to the right organizations and individuals for putting them to use.

#### **Article 45**

Users of specialized-use land have the following obligations:

1. To seriously implement the regulations issued by the Council of Ministers on the use of specialized-use land;
2. To take necessary measures to save land, to protect the environment, and not to hinder production and the people's everyday life in the neighboring areas.

#### **Article 46**

People who are assigned agricultural and forest lands to build industrial, scientific and technical, communications, water conservancy, cultural, social, and services installations; to satisfy public security and national defense needs; to explore and extract minerals; and to make pottery, bricks and tiles, or other building materials must compensate the state for any losses incurred by the use of such agricultural and forest lands.

The Council of Ministers and people's committees at all levels can use these compensations to open new land, to cultivate fallow land, to practice intensive cultivation, to protect and improve the soil, and to extend the areas of agricultural and forestry land.

#### **Part 4. Unused Land**

##### **Article 47**

Unused land is land that has not yet been designated for use for agricultural and forestry purposes, for becoming residential areas, or for specialized uses, and that the state has not yet assigned to anybody for stable long-term use.

The Council of Ministers drafts projects and plans and adopts policies to encourage organizations and individuals to put unused land to use in agricultural and forestry production. **Part 5. Obligation and Interests of Land Users**

##### **Article 48**

In addition to the obligation mentioned in articles 24, 26, and 45 in regard to different types of land, land users also have the general obligation as follows:

1. To use land for the right purposes, within the right boundaries, and under other conditions as they were determined at the time land was assigned;
2. To achieve protection, improvement, and transformation of land; not to do anything harmful for the environment and the legitimate interests of neighboring land users;
3. To seriously carry out decisions of responsible state organs about taking back land;
4. To compensate previous land users for actual losses resulting from land being taken back from them and assigned to current users;
5. To pay tax and cadastral fees when cadastral procedures are fulfilled according to law.

##### **Article 49**

In terms of interests land users can:

1. Have stable long-term use of land, or use land in specific periods or temporarily as the responsible state organs have determined at the time of assignment of land;
2. Enjoy the fruits of labor and investment in the assigned land; have the right to transfer, cede, and sell houses, other structures, and perennial plants which land users have acquired in a legitimate manner in the assigned land.

When land that is being used is taken back according to items 1, 2, and 3 in article 14 of this act and given to other people, receive compensation for actual losses and for the fruits of labor and results of investment, which have boosted the value of such land, according to law;

3. Enjoy the benefits brought about by public projects and by the protection and improvement of land;
4. Get guidance and assistance from the state in improving and transforming land;
5. When land that is being used is taken back because of any needs of the state or society, receive compensation for actual losses and possibly other land to replace it;
6. Be protected by the state when other people violate their legitimate right to use land.

#### **Chapter IV. Use of Land by Foreign, International, and Joint Organizations**

##### **Article 50**

Foreign organizations and individuals, international organizations, and joint business and cooperation organizations between Vietnam and other countries being assigned land to use must comply with the rules in this act, except when accords signed by the SRV and other countries or international organizations may set different rules.

##### **Article 51**

To assign land for use by foreign organizations and individuals, international organizations, and joint business and cooperation organizations between Vietnam and other countries is decided by the SRV Council of Ministers.

#### **Chapter V. Praise and Reward, and Punishment**

##### **Article 52**

Any localities, organizations, and individuals having scored many achievements in managing, protecting, improving, and transforming land; extending the areas of agricultural land; covering empty land and bare hills with crops and plants; and saving land in capital construction are to receive praise and reward by decision of the Council of Ministers.

##### **Article 53**

People who purchase, sell, usurp, occupy land, lease land to collect rent, destroy land, or commit other acts of violating the land law are subject to one or more of these various forms of administrative punishment:

1. Warning;

2. Fines ranging from 5 to 10 percent of the losses caused by the violation;

3. Taking back of the part of land that has been unlawfully used.

The administrative punishment mentioned in this article is decided by the people's committee at the responsible level according to law.

If the violation concerned has led to serious consequences, or in case of a repeated violation following an administrative punishment, punishment is imposed in accordance with article 180 of the Penal Code.

#### Article 54

People who abuse their position and authority or go beyond their authority to assign land, to take back land, and to permit a change of the purposes of using land and thus violate the spirit of law; lack a sense of responsibility and thus cause damages to the land resources; and protect the people who have violated the land law are subject to one of the following forms of punishment:

1. Warning;
2. Dismissal;
3. Forced resignation.

The disciplinary action mentioned in this article is to be taken by the administration organs in accordance with the division of management over cadres.

If the violation concerned has led to serious consequences, or in case of a repeated violation following an administrative punishment, punishment is imposed in accordance with article 180 of the Penal Code.

#### Article 55

People who have caused damages to others because of their violation of the land law, in addition to the punishment they are subject to as mentioned in articles 53 and 54 of this act, must pay compensation to the people concerned for such losses.

#### Chapter VI. Final Article

##### Article 56

The previous rules that are contrary to this act are all repealed.

The Council of Ministers is to determine the details for execution of this act.

\*\*\*\*\*

This draft act was considered by the Council of State at its meeting on 10 August 1987. The Council then decided to make this draft public so as to solicit the people's opinion, in compliance with the resolution adopted by the Eighth National Assembly of the SRV in its first session on 22 June 1987.

5598

#### Hanoi's Chronology of Events From 15 June-14 July 1987

42000118b Hanoi VIETNAM COURIER in English  
Sep 87 p 32

[For periods 15 June - 14 July]

[Text]

#### June

17-22. Hanoi: Opening of the first session of the Eighth National Assembly (see article on page 4).

17-26. A delegation of the Industrial Board of the CPV Central Committee led by its deputy-head Nguyen Bich pays a visit to the Soviet Union.

19-25. A CPV delegation led by Tran Quoc Huong, Secretary of the Party Central Committee pays a friendship visit to the People's Democratic Republic of Yemen and attends the National Congress of the Yemeni Socialist Party.

19-26. A delegation of the General Political Department of the Vietnam People's Army headed by Lieutenant-General Nguyen Quyet, Secretary of the Party Central Committee and head of the Department, pays an official friendship visit to the Soviet Union.

19-29. At the invitation of the CGIL trade-union and the Federation of Cooperatives in Emilia-Romagna, a delegation of Binh Tri Thien province headed by the president of the provincial Federation of Trade Unions, Le Viet Tam, visits Italy.

Minutes on the strengthening of friendly relations, trade, economic cooperation, and tourism are signed between the two sides.

20 June - 2 July. Moscow: Opening of an exhibition on Vietnam's export goods. On display are consumer goods, farm products, and art and craft products such as chinaware, rattan goods, wooden furniture for 11 export companies in Vietnam.

21. Hanoi: Closing of the second national art and craft exhibition-fair. Nearly 200,000 people and 24 foreign delegations visited the exhibition. 728 products are awarded prizes, including 184 gold medals. Ho Chi Minh City tops the list with 45 gold, 48 silver and 71 bronze medals.

22-29. A Vietnamese team attends the Sixth International Russian Language Olympiad held in Moscow (see article on page 2).

23-26. Hanoi: Holding of a seminar on Red Cross work in 1987 under the joint auspices of the Vietnam Red Cross and the International Red Cross.

24. Hanoi: Holding of a ceremony to mark the reception of 36 tons of goods worth 2 million forints in aid from the Hungarian Committee for Solidarity with the Vietnamese People.

29. Hanoi: The Council of Ministers meet to work out a programme for the second half of this year, aimed at implementing the tasks set forth in the Council's report to the first session of the Eighth National Assembly.

## July

4. A Party and State delegation of Vietnam, headed by Vo Nguyen Giap, member of the CPC Central Committee, and Vice-Chairman of the Council of Ministers, arrives in Algiers to attend the celebrations of Algeria's 25th Independence Day (5 July 1962 - 5 July 1987).

6-8. A delegation of the Indian Ministry for External Affairs led by Minister of State K. Natwar Singh pays an official visit to Vietnam.

6-9. Sofia: Vietnam takes part in the Conference of Deputy Foreign Ministers of the socialist countries in preparation for the 42nd session of the UN General Assembly.

7-9. Ulan Bator: Vietnam attends the consultative meeting of representatives of Communist and Workers' parties in the Asian-Pacific region.

9. At the invitation of the Soviet Union's Committee for Sports and Physical Education, a team of 22 young Vietnamese footballers tours the Soviet Union.

9-10. Five Vietnamese students attend the 18th International Physics Olympiad held in the German Democratic Republic. Ho Si Mau Thai is awarded a third prize and another three students receive consolation prizes.

10-11. Six Vietnamese students attend the 28th International Mathematics Olympiad held in Cuba. All of them won prizes (one second prize and five third prizes).

The Vietnamese team as a whole ranks 11th among the 42 participating teams.

11. Hanoi. Holding of a meeting on the occasion of the Day of the Five Billion by the Vietnam Committee for Population and Family Planning (see article on page 28).

14. Hanoi. Holding of a symposium on "The Alliance of the Three Indochinese Countries in Fighting and Construction" by the Centre for Asian-Pacific Studies of Hanoi University.

/06662

## GIAO DUC LY LUAN Tables of Contents

### May 1987

42090032 Hanoi GIAO DUC LY LUAN  
in Vietnamese May 87 p 64

- Second Plenum of the CPV Central Committee (Sixth Term) Resolves Urgent Problems in Distribution and Circulation p 1
- The CPV Central Committee Political Bureau Issues Resolution on Organizing Celebration of 70th Anniversary of the Great Socialist October Revolution (7-11-1917—7-11-1987) p 71
- Some Questions About Production Force and Production Relationships in the First Phase of the Transitional Period in Our Country (by Nguyen Dang Quang) p 10
- Renovating the Concept of Man Under Socialism (by Dinh Huu Khoa) p 17
- President Ho Chi Minh and the View on the People Being the Roots (by Dao Xuan Di and Hoang Van) p 26
- Experience in Teaching Marxist-Leninist Theory in Czech Colleges (by Duong Minh Thi) p 29
- Practical Teaching of Experience and Thinking (by Nguyen Chi Hieu) p 35
- Methodology in Scientific Research (by Do Nguyen Phuong) p 40
- The Socialist System of Economic Contradictions Is the Origin of Socialist Development (by V. Kulikov) p 44
- CEMA, Scientific and Technical Revolution, Cultural Revolution (by A P N) p 54
- Round-Table Discussion of Marxist-Leninist Philosophy p 56

**May 1987**

42090032 Hanoi *GIAO DUC LY LUAN* in Vietnamese  
May 87 p 64

- Speech Delivered at the Course To Improve the Level of the Central Nguyen Ai Quoc School Class No 8 (by Nguyen Van Linh) p 1
- In the Spirit of Renovating Thinking, Let Us Have Some Initial Thoughts About the Course on the Communist Movement and Internationalism (by Ho Quynh Doi) p 11
- Renovation of Economic Thinking and Some Questions in Party Building Today (by Tran Hau) p 17
- Discussing the Current Goods Circulation Policy (by Cao Duy Ha) p 24
- Major Lessons of Methodological Significance in V.I. Lenin's 'New Economic Policy' (by Hoang Chi Bao) p 29
- About the Principle of Unified Theoretical and Practical Leadership (by Tran Ngoc Thu) p 34
- Some Thoughts About Teaching Socialist Culture in Party Schools (by Quynh Khue) p 41
- Some Ideas About the Contradiction Category (by Le Huy Thuc) p 46
- For Improving the Quality of Lecturing (by Nguyen Chi Dung) p 56
- Major Directions for Development of Economic Science in Light of the Resolution of the 27th CPSU Congress p 51
- Round-Table Discussion of Philosophy p 59
- Answers to Readers' Questions p 64

5598

**MILITARY**

**October 1987 TAP CHI Table of Contents**  
42000122b Hanoi *TAP CHI QUAN DOI NHAN DAN*  
in English Oct 87 p 72

[Text] Following are the contents of the October 1987 issue of *TAP CHI QUAN DOI NHAN DAN*, received at Bangkok Bureau on 11 December :

1. 12 September 1987 resolution of the CPV Central Committee Political Bureau on the campaign to purify party organizations and state machinery and enhance their militant strength and to ameliorate social relations.

(pp 1-6; 3,000 words; texted from Hanoi Domestic Vietnamese 251100 as BK120934 (Oct); also FYI comparison sent from NHAN DAN 26 Sep issue)

2. Senior General Le Duc Anh 3-part article: "The Great Soviet October Revolution and the Vietnamese People's Cause of Liberating the Nation and Defending the Fatherland" on the significance of the Great October Socialist Revolution and its influence on Vietnam's August 1945 revolution and national liberation undertaking, and on the support and assistance given by the Soviet Union to Vietnam. (pp 7-17; 6,200 words; Part III on Soviet assistance filed as BK021509 (Nov) and adds from Hanoi Domestic Vietnamese 012330; parts I and II—totaling 3,500 words—deal with October Revolution's influence on mankind's history and on Vietnam's struggle for national liberation respectively)
3. Colonel Le Due Tiet article: "The 6th Party Congress and the Enhancement of Discipline and Socialist Legal System" on a number of principles set forth by the 6th CPV Congress to help restore discipline and strengthen the socialist legal system. (pp 18-23; 3,400 words)
4. Lieutenant General Hoang Phuong article: "The 12-day Air Defense Campaign in December 1972" on the experience drawn from the 12 days and nights of fighting and defeating the war waged by the U.S. Air Force against North Vietnam between 18 and 29 December 1972. (pp 24-31 and 41; 4,500 words)
5. Colonel Pham Xuan Nuyen and Captain Nguyen Van Hung article: "The Fall-Winter 1947 Military Exploit" relating the victory against the French Expeditionary Army in the Viet Bac area between October and December 1947 and analyzing the factors leading to this very important military victory. (pp 32-41; 5,200 words)
6. Major General Pham Nhu Vuu article: "Factors Guaranteeing Good Quality for Weapon and Equipment Repair Work" (pp 42-46 and 17; 3,000 words)
7. Commentary: "The Lesson Drawn From the Case Involving Nguyen Truong Xuan and His Accomplices" on a major negative case involving the commander of the Hai Phong City Military Command. (pp 47-49; 1,400 words)
8. "Exchange of Experience" section Colonel Le Thuy article: "Building and Consolidating Combat Determination" on a number of political and ideological tasks to be done to help boost the combat morale of members of the armed forces. (pp 50-52; 1,300 words)
9. "Exchange of Experience" section Colonel Trinh Quang Tan article: "Rely on the Masses in Solving Problems Involving Everyday Life and in Ensuring Combat" introducing some measures adopted by Army Group B-101 in Ha Tuyen Province to improve the spiritual and material conditions of cadres and combatants. (pp 52-55 and 6; 2,000 words)

10. Major General Nguyen Trong Xuyen article: "The 3rd Military Region and the Building of the Reserve Force" on the efforts made by the 3rd Military Region in building and consolidating its reserve force. (pp 56-61; 3,500 words)

11. Article by Nguyen Nhu: "Tien Giang Works out a Plan for Carrying out the Military Task at the Grassroots Level" on how Tien Giang Province successfully implements the local military task. (pp 62-67; 3,500 words)

12. "Military Science Information" section by Q. T. reflecting views contributed by a number of readers to a letter by a Soviet deputy regiment political commander on how a cadre can get to know well each individual combatant under his charge. (1,500 words)

/06662

## ECONOMIC

**Hungary Provides Glove Production Line**  
*42090044a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 16 Sep 87 p 1*

[Text] After more than half a year of constructing the factory and installing a production line of equipment and machinery manufactured in Hungary, the Binh Trieu Rubber Enterprise of the Rubber Industry Corporation of the South (Chemicals General Department) has begun to test-produce gloves for use by consumers. The products will bear the PALMA label, a prestigious Hungarian label. Most will be exported but a small number will be sold in Vietnam.

In contrast to the existing manual glove-production line at the Binh Trieu Enterprise, the new production line is semi-automated. All industrial phases are mechanized. Its capacity is 2 million pairs a year. On average, a worker can produce 850 to 900 pairs of gloves per shift (on the old production line each worker could produce about 65 pairs of gloves per shift).

In accordance with the division of labor in the CEMA bloc, our country will mass-produce civilian gloves from latex rubber. In the near future, the Binh Trieu enterprise will install two additional rubber glove production lines with a total capacity of 4 million pairs a year.

5616

**Ho Chi Minh City Encourages Application of Technical Advances**  
*42090049b Hanoi NHAN DAN in Vietnamese  
24 Sep 87 p 3*

[Text] On 31 August 1987 the Ho Chi Minh City Municipal People's Committee issued Decision 62, permitting the production installations to study the needs of the domestic and foreign markets, improve technology, and apply technical advances and advanced production

processes to lower production costs, improve product quality, tie in production with consumption, and rapidly increase the return and effectiveness of capital.

With regard to planning, the enterprise directors are allowed to take the initiative in drafting plans to apply technical advances, improve and renovate industrial processes, rationalize production, improve product quality, test-produce new products, economize on materials and fuel, use domestic raw materials, and fully utilize recycled raw materials.

Enterprise directors may draft plans to conduct scientific research. There will be a reduction in the assigning of research topics and the granting of research funds by the upper echelon, and a shift to the mode of research contracts. On the basis of the needs of the enterprise, the directors will make decisions regarding plans and research topics, and sign contracts to hire units, and even individuals, for research, including contracts regarding research and production. The enterprises are authorized to buy and sell inventions and technical secrets, own industrial processes, and hire domestic and foreign scientists and technicians to apply them to production. The enterprises may place additional profits earned from the applications of technical advances during the first 2 or 3 years in the enterprise funds to reward groups and individuals making contributions in accordance with contracts to carry out scientific research and apply technical advances.

Enterprise directors have the right to pay unlimited bonuses on the basis of the results of the applications of technical advances, and have the right to use specialists in Vietnam and Vietnamese living abroad as technical advisers, in accordance with state regulations.

With regard to finance, most of the enterprise profits are distributed into three funds: a production development fund, some of which is set aside for scientific research and the application of technical advances; a welfare fund; and a bonus fund. The director may use the production development fund for scientific research and the application of technical advances, and is authorized to borrow capital on a preferential basis, at an interest rate lower than the commercial rate.

5616

**Industrial-Commercial Bank Begins Operations**  
*42090044b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 17 Oct 87 pp 1, 2*

[Text] At 0800 yesterday morning (16 October), the Municipal Industrial-Commercial Bank officially opened for business.

Comrade Lu Sanh Thoai, formerly Deputy Director of the Municipal Bank, who was elected director of the Industrial-Commercial Bank by the Management Board of the Industrial-Commercial Bank, said that the bank would perform the following tasks:

Opening unlimited, open-ended, and fixed-period accounts for all citizens, units, and administrative-professional organs. The Industrial-Commercial Bank provides incentives for teenagers and children to open savings accounts at the bank.

The Industrial-Commercial Bank will open open-ended and fixed-term savings accounts, in cash or fund transfers, for the economic components. If deposits are made in cash, customers may take out cash or receive checks payable in an equivalent amount of cash. If deposits are made by fund transfers, the Industrial-Commercial Bank will make all-out efforts to pay partly in cash, depending on its ability to do so.

The interest schedule for unlimited, open-ended accounts is 6 percent per month; the interest rate for accounts of from 3 to 6 months is 6.4 percent; for accounts of from 6 to 9 months it is 7 percent; for accounts of from 9 to 12 months it is 7.5 percent; and for accounts of more than 12 months it is 8 percent. Money deposited in open-ended accounts receive no interest but the account owner may withdraw money by check. Fixed-term deposits by state and collective economic units of 6 months or more will receive interest of 2.4 percent a year.

The Industrial-Commercial Bank will also allow the economic components to borrow supplementary circulating capital to promote production and commercial activities.

The interest rate on cash loans made by the Industrial-Commercial Bank to state and collective enterprises is 9 percent per month, the interest rate for private individuals is 9.9 percent, and the daily rate for individual private merchants engaged in service and commercial activities is 0.5 percent per day. The Industrial-Commercial Bank will guarantee confidentiality with regard to the balance in savings account books and to deposits made by customers.

5616

**Transportation Fees Imposed on Vehicles**  
42090044c Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 18 Oct 87 p 1

[Article by V.Q.: "Transportation Fees Must Be Paid for All Types of Public and Private Vehicles By 31 December 1987"]

[Text] The Municipal People's Committee has issued decision No 161-UB regarding the collection of fees in order to obtain funds to maintain and repair bridges and

roads in the municipality. The fees must be paid for all types of public and private transportation facilities (except bicycles), including all motor vehicles with four or more wheels, 3-wheeled and 2-wheeled motorbicycles, and the various kinds of nonmotorized vehicles used for transport, such as 3-wheeled carts, cyclos, and animal-drawn carts.

The vehicles of foreign diplomatic organs, military vehicles and people's public security vehicles (except for those used in economic work), fire trucks, sanitation trucks, ambulances, and steam rollers are exempted from the transportation fees (steamrollers belonging to cooperative teams and private individuals, and vehicles bearing the KD licence plates of foreign residents living in the municipality must pay the fees). Vehicles which are registered outside the municipality but operate in it are not covered by this decision.

According to the schedule of fees (covering more than 20 types of vehicles), motorbicycles of 90cc or less pay 30 dong per month and automobiles pay 200 dong per month. Motorized vehicles with three or more wheels are to pay bridge and road fees twice a year and 2-wheeled motorbicycles, nonmotorized vehicles, and animal-pulled vehicles are to pay once a year.

Fees for transportation facilities will be paid in the precinct or district in which they are located.

The public security sector will coordinate with the communications-transportation sector in carrying out inspections and in imposing fines for vehicles without tax stamps (the fines will double if late more than 3 months, increase fourfold if late more than 6 months, and increase eightfold, and result in a 3-month suspension of registration, if late 1 year (if late 1 year, the fine increases 20-fold and registration is suspended for 1 year). Inspections will begin on 1 January 1988.

5616

**'Day of Five Billion' Called Important Landmark for Mankind**  
42000119 Hanoi VIETNAM COURIER in English  
Sep 87 p 28

[Text] The Day of the Five Billion is an important landmark in the history of mankind. It highlights men's victory over the forces hindering their multiplication while reminding them that population growth should be in harmony with economic growth and that they should strive to gradually improve the quality of life and promote human civilization.

Vietnam is a developing country with a high population growth rate and very low figures of per capita land area and national income.

Since the sixties Vietnam has tackled the population problem, undertaken a population redistribution and built new economic zones. Family planning began to be practised in the seventies.

In April 1984, the Chairman of the Council of Ministers issued a decision setting up a State Committee for Population and Family Planning under a Vice-Chairman of the Council of Ministers.

Thanks to family planning the population growth rate has slowed down somewhat. From 3.6

in 1961 it went down to 2.3

by 1981 but was still 2.08

in 1986.

Now that the world population has reached 5 billion, that of Vietnam is 62.5 million—about 1.2

of world total.

In Vietnam practically nobody wants to be childless and very few wish to have only one child. Most people, particularly in the countryside, like to have three or four children.

However, the average number of childbirths per woman has steadily diminished, from 4.9 in 1979 to 3.8 in 1985. It is only 1.6 in small sections of the population comprising well-educated people.

The Sixth Congress of the Communist Party of Vietnam held in December 1986 stated in its Resolution: "To strive to reduce the population growth rate to 1.7

by 1990." To this end the following basic measures have been proposed:

—To invest more in facilities for family planning so as to raise the percentage of couples benefiting from them from the present 30

up to 60-70

by 1990.

—To amend State policies and regulations to encourage people to marry late and to have at most two children.

—To make the people, the youth in particular, favourably disposed toward family planning through educational and cultural measures.

Family planning will be given ever greater impulse and urgency. It is estimated, however, that it will take 50 years for Vietnam's population to stabilize around the 105-110-million level.

/06662

### Social Justice Asked for Handicraft Workers

42090049a Hanoi NHAN DAN in Vietnamese

24 Sep 87 p 2

[Article by Bui Viet Si: "Social Justice for Handicraft Workers"]

[Text] With 1.5 million workers, every year the small industry-handicrafts sector generates 51 percent of all consumer goods produced in our country and accounts for 70.12 percent of local industrial production. In Ho Chi Minh City alone, each year it is capable of exporting more than 10 million rubles/dollars worth of artistic handicrafts. The product line is richly varied. But because of shortages of materials and fuel, and because many policies are not yet fair, only 40 percent of the capacity of the sector's machinery and equipment can be utilized. Many installations, and many highly skilled handicraft workers, are now without work.

First of all, let us speak of the price policy. For many products the state has set requisition purchasing prices that are too low and do not meet production expenses, such as those for corn-husk rugs and palm blinds.

The production expenses for a square meter of corn-husk rug amount to 285 dong, while the foreign trade sector pays only 214 dong. Palm blinds costing 469.91 to produce are purchased for 183 dong.

A rather widespread reason for the increase in production costs is that there are too many middlemen. For example, in Ha Nam Ninh after a worker plants rush, harvests it, and puts it in storage he must pay fees to the Agricultural Products Corporation and Export Corporation when the rush is used to process the various kinds of products. Those two corporations do nothing but are paid money!

In the buying and selling of materials and in transportation too many "negative fees" must be paid. For example, with regard to yarn products in Nam Dinh a contract stipulated that for distances greater than 5 kilometers the state had to pay transportation fees. But in fact the cooperatives had to go all the way to Hai Phong to pick up the goods and had to pay all transportation and per diem expenses.

Ordinarily, the small industry-handicrafts sector must provide 70 percent of its production materials. If there is a shortage of cash the materials and raw materials cannot be purchased. Installations using checks must pay an additional 10 to 20 percent in "negative fees." At present, the sector as a whole is very short of cash. In Ho Chi Minh City alone the banks still owe the sector 2 billion dong. Precinct 10 has been paid only 1 percent, and Precinct 8 only 0.5 percent, of the cash called for by the plan.

The party and state have promulgated and supplemented many explicit policies regarding equality in production. But in actuality there are still many things which are "unjust," such as the sector receiving the lowest priority in purchasing materials and in the supplying of electricity. According to regulations, the labor fees for handicraft installations must equal those of state installations in the same sector and trade, but those regulations are never enforced. Ordinarily the installations serving as contractors are paid less.

In social life, although the small industry-handicrafts workers have been collectivized, with regard to such benefits as on-the-job college training, supplementary education, sending children to day-care centers and nursery schools, medical care, etc., there are differences between workers of state and collective installations. A large production force with dynamic, creative, and skilled workers produces products for society but is not recognized as having equal rights merely because it is a production force not employed directly by the state.

Miss Nguyen Thi Phuong, 28 years old, of Ho Chi Minh City, is one of the city's model workers and has the aspiration of studying full-time or part-time at an art school in order to improve her skills so that she can serve society better and longer, but that aspiration cannot be realized because handicraft workers are not eligible to enroll in such schools on a part-time basis!

In some places the mastership right of the cooperative members is still being seriously violated. At the Nam Hung carpet weaving cooperative in Kien Xuong District, Thai Binh Province, a company of the cooperative members elected Comrade Hong as director, but because he had a conflict with the village party committee the committee made him ineligible for election. The congress of cooperative members unanimously elected him anyway, but the party committee refused to allow him to continue to serve as director. Now, after 4 months, the cooperative still does not have a director.

Those narrow, mistaken policies and viewpoints have caused the handicraft workers to worry about their futures and their trades.

The time has come to change the policies in order to have equality in production, as well as in society, for handicraft workers, so that they can contentedly contribute all of their labor and talent and produce many good products in order to serve society.

5616

#### TAP CHI KE HOACH HOA Table of Contents

June 1987

42090033 Hanoi TAP CHI KE HOACH HOA in Vietnamese Jun 87 back cover

- Making Our Economic Cooperation With the Soviet Union More Fruitful p 1

- Initial Remarks About Figuring out Pricing Plans in Industrial Enterprises (by Le Uyen) p 3
- Some Ideas About Renovation of Planning (by Nguen Le Trung and Phan Thanh Pho) p 7
- About Renovating the Planning Mechanism and Foreign Trade Management (by Ho Quoc Vy) p 11
- About Legal Work in Planning (by Nguyen Van Huong) p 14
- Some Ideas About Local Machine Enterprises Trying To Maintain Materials Balance by Themselves (by Nguyen Manh Hung) p 17
- Projecting the Needs for Essential Products Through Product Balance Sheets (by Nguyen Van Vy) p 19
- The System Theory in the Study of Economic Structure and Economic Management Mechanism (by Do Hoang Toan) p 23
- Reforms Are An Objective Necessity p 26
- Facts and Experience: Overcoming the Great Challenges of the 1921-1925 Period (by Nguyen Quan) p 30
- Ha Nam Ninh Planning Sector Conference (by P.V.) p 33

#### July 1987

42090033 Hanoi TAP CHI KE HOACH HOA in Vietnamese Jul 87 back cover

- Urgent Tasks in Last 6 Months of 1987 p 1
- About Drafting the 1988 Socioeconomic Plan p 4
- Responding to 'Things To Be Done Right Away,' TAP CHI KE HOACH HOA Staff Criticizes Itself p 6
- Ideas To Be Discussed Through the Draft Plan for Renovating Planning in the National Economy (by Le Tung Son) p 7
- Considering Planning Our Central Concern Along With Making Use of the Market Relationships Is A Matter of Principle (by Ngo Van Tran) p 12
- Offering Some Ideas About Renovation of Planning (by Le Duy Phuong) p 15
- Some Ideas About the 1986-1990 5-Year Plan of the Marine Products Sector (by Le Xuan Toan) p 17
- Hai Hau Develops Its Grain-Food Program (by Pham Ngoc On) p 19
- Readers' Opinion on Renovating Planning p 21

- Using Systems Theory in the Study of Economic Structure and Economic Management Mechanism (Last Part) (by Do Hoang Toan) p 23
- Reforming the Basic Aspects of Economic Management p 25
- Facts and Experience: Successfully Carrying out the Plan for Restoring and Developing the National Economy in the Postwar Period (1946-1950) (by Nguyen Quan) p 28
- Following the Reforms in the Soviet Union p 31
- Things Not To Be Done: Do not Use Strategic Materials for 'Alliance' (by Phan Van Tan) p 32
- Signs of Renovation of Planning and Management p 33

5598

**THANK NIEN Table of Contents, July 1987**  
42090035 Hanoi THANH NIEN in Vietnamese  
Jul 87 p 32

- Address of Comrade Gorbachev at the 20th Congress of the Soviet Union Leninist Communist Youth League p 1
- Starting From Each and Every Person (by Anh Chi) p 7
- Measures Are Needed To Help Colleges To Find Jobs for Graduated Students (by Ho Duc Duc) p 10
- Jobs for Youths, An Urgent Matter (by Kim Long) p 12
- Why Do Youths of Yen Son District, Ha Bac Province, Feel Reassured To Stay in the Countryside? (by Nguyen Thi Bich Lai) p 14
- Investigation and Petition (by Le Huy) p 16
- Until When Do We Wait? (by The Quang) p 18
- Questions About Renovating Youth Union Work (by Ho Xuan Son) p 20
- Plus 13—1987 Plus 13... 21st Century Begins (by Aleksey Adjubey) p 23
- 'Channel 12' Youth Television Program p 25
- Youth and Maturity p 27

5598

## SOCIAL

**Exercise of Stronger State Authority Urged**  
42090045c Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 27 Oct 87 p 1

[“Speak Frankly, Speak the Truth Forum” column by Le Minh Duc: “Why Are State Discipline and Authority Not Strict”]

[Text] According to my understanding, our state has a constitution and very important laws. But why are they still not strictly applied but neglected, which seriously reduces their effectiveness? I believe that one reason is that many party organizations, state organs, cadres, and party members are not exemplary and lack respect, so they influence and affect the people and the revolutionary masses. The lack of exemplariness on the part of many party members and cadres has given rise to a lack of discipline. Therefore, it is necessary to strictly punish, in accordance with current law, all cadres who commit errors, no matter at what echelon.

Justice is blind! We should not be formalistic and have the head of an elephant and the tail of a mouse.

For a long time now the TV station, the press, and the mass communications broadcasting station have featured “Live and Work in Accordance with the Constitution and Laws” programs. In social management at present, in addition to social management at present, in addition to propaganda, persuasion, and education there is also a need for compulsion. At present, all management tasks of the state are based on the people: the people know, the people discuss, the people do, and the people inspect. All regimes must have a constitution and laws. They are sharp weapons of the ruling class in order to build and defend the nation.

In all activities of society and of all production and combat organizations there must be laws, which everyone must obey. For a long time now laws have been applied strictly only to people at the lower levels. As for those at upper levels, they have been ignored and sometimes relaxed to a frightening, alarming degree. Furthermore, within the ranks of people who enforce laws there are some dishonest people. Let me give an example: the public security police caught a gang of criminals red-handed, but after the investigation was completed it was recommended that the upper echelon release them. Laws are regarded lightly and are crudely abused. Mass public opinion is very dissatisfied. Anyone who has money and gold can accomplish anything in life and can pass through any door.

We are party members and cadres who left in the autumn of revolution and are now retired. We always devote all of our remaining spirit and energy to, and have solidarity with, all true party members and cadres who have been forged and educated by the party and President Ho, and who are determined to struggle against negativism and

contribute to doing a good job of carrying out the campaign to purify, and strengthen the combativeness of, the party and the state apparatus, and to make wholesome social relationships, which was recently launched by the Political Bureau. That campaign includes struggling to defend the constitution and laws and to maintain discipline and state authority.

5616

**Division Commander Disciplined, Corporation Investigated**  
*42090046d Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 28 Oct 87 p 1*

[“Responding to ‘Things That Need To Be Done Immediately’” column by V.H.L.: “Division Commander Dismissed and Expelled From Party for Abusing Authority, Using Army Labor and State Property to Build Home; Supply Corporation of Grain Export-Import General Corporation Commits Many Misdeeds, Causes Loss of Hundreds of Tons of Rice”]

[Text] Colonel Be Ich Quan, commander of a division of the Pac Bo Corps, abused his authority and used the labor of troops in his unit and state property and vehicles to construct a private dwelling. Especially serious, Comrade Quan used some of the combat vehicles of Regiment 88 to transport construction materials.

After that affair was reported in the newspaper, in an official letter of reply to QUAN DOI NHAN DAN, Tran Loi, secretary of the party committee of the Pac Bo Corps, said that the unit had carried out a thorough investigation and had recommended that the upper echelon discipline Comrade Quan. The upper echelon decided to expel Comrade Be Ich Quan from the party, dismiss him as division commander, and confiscate the house Comrade Quan had constructed primarily by using the labor of troops and material facilities and POL belonging to the state. The unit will return to Comrade Quan the money he personally spent to build the house, and will also provide him with materials to build another house equivalent in value to the amount of money possessed by Comrade Quan.

With regard to that affair, the Central Military Party Commission criticized the party committee of the Pac Bo Corps.

On the basis of complaints by a number of cadres, workers, and civil servants, an investigation group of the Ministry of Agriculture and the Ministry of Food Industry investigated the Supply Corporation of the Grain Export-Import General Corporation and concluded that:

There are many questions regarding rice missing from the granaries. In some instances the loss of rice has not been dealt with promptly. Thousands of tons of export rice which had been received at the granaries did not meet standards and had to be reprocessed, which wasted hundreds of tons.

There have been many violations of policies and regulations at the Supply Corporation, such as the selling of used bags, the installation of machinery at a rice mill, the unauthorized exchange of a 560 KVA generator for three 25 KVA generators, the exchange of urea fertilizer for rice, and nominally forming a joint production enterprise but in fact lending capital at interest to earn money for the workers' meals, etc.

Because of those incidents, the investigation group recommended to the Ministry of Agriculture and the Ministry of Food Industry a number of measures to strengthen the corporation's management, especially at the granaries and processing plants, and to strengthen economic accounting. The group also recommended that the individuals directly responsible for the loss of property reimburse the state.

5616

**Tax Service Adds Many to Rolls**  
*42090044d Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 18 Oct 87 p 1*

[Article by L.T.T.: “Additional 5,611 Businessmen Found Overlooked, 202 Tax Evasion Cases Discovered”]

[Text] On the morning of 17 October the Municipal Anti-Industrial-Commercial Tax Evasion Guidance Committee carried out the first step of the preliminary recapitulation of the task of countering the tax collection shortfall during the past month. The precincts and districts investigated and discovered 202 incidents of tax evasion, involving total tax arrears of 84.6 million dong, and added 5,611 producers and merchants to the tax rolls. Therefore, in September the tax sector collected 1,225,000 dong, an increase of 463 million dong over August. Much of that increase (202 million dong) was in the individual sector. Places which underwent many transformations in countering tax shortfalls included precincts 5, 6, 8, and 11, Tan Binh, Go Vap, Thu Duc, Binh Chanh, Duyen Hai, and Cu Chi. Precincts 1, 3, and 10 improved slowly.

In the course of countering the tax shortfall the municipal tax sector has made a number of advances, but in relation to the shortcomings, such as there still being many producers and businessmen who are not taxed; the classification of businessmen and the adjustment of tax rates, although improved, still being at a low level and irrational; failure to ensure fairness in carrying out the tax policy; slowness in collecting tax debts; and not yet

having overcome the main offenders; and the quality of its management of cadres, workers, and civil servants being low, the tax sector is still beset with many weaknesses and deficiencies.

5616

**Illegal Occupation of Rural Land Denounced**  
*42090046 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Oct 87 p 1*

[Article by Nguyen Duc and Mai Van: "Illegal Taking and Using of Land in Rural Areas Should Be Stopped Soon"]

[Text] Although Ho Chi Minh City is an industrial center, it has nearly 600,000 agricultural laborers living mostly in the 6 rural districts (Cu Chi, Hoc Mon, Thu Duc, Binh Chanh, Nha Be, and Duyen Hai) and in a number of wards in the 4 outlying districts (Tan Binh, Go Vap, Binh Thanh, and 8th Precinct). According to 1985 data, the average area of agricultural land for each laborer is 1,200 square meters. The per capita average is lower, 900 square meters, which is even lower than the so-called "3-sao shackle" average prevailing in the Red River delta. As little land exists, farmers in the rural districts encounter difficulties in their everyday life. In the weekly work schedules of the rural and outlying districts, we almost always find meetings to be held here and there to solve land disputes. Quite a few farmers would be willing to contest "in lawsuits" the use of just a few hundred of square meters of land at levels ranging all the way from ward and village to municipal and for years on end. In addition, because of the needs for development and enlargement of the municipality, an inevitable happening is that every year some agricultural land will be included in the latter's plan and used for other purposes. In order to ensure the interests of farmers and at the same time to maintain balance in its development, the municipality every year has a development plan for enlarging alternate zones within specific area limits and for finding jobs for agricultural laborers in these zones.

However, since the day of liberation, in addition to expanding their work areas according to plans, many organs and units in the urban wards have deliberately moved to the outskirts of the municipality to build additional houses and shops, thus destroying its plans and seriously affecting farmers' production and living conditions. According to data gathered by the Municipal Land Management Committee (MLMC), as of June 1987, close to 1,700 hectares of land have been illegally taken and used by 1,133 units (nearly 1,000 hectares taken and distributed by precinct, district, ward, and village echelons; nearly 700 hectares taken by units), and this figure does not include a rather large area of agricultural land being put to military use and the land being taken by individuals and used to build houses or to turn into ponds and gardens. Let us try to calculate this: On the basis of the average per capita agricultural land being

900 square meters in the rural areas, all of the land "illegally taken and used" by organs and units as mentioned above has forced nearly 19,000 people who lost their lands to become "unemployed." This is a worrisome figure although, according to an MLMC report, it may be far too small compared to reality.

Another "force that illegally encroaches on lands," which we should be aware of, is the urban citizens who have positions, authority, or money and want to move to the outskirts of the municipality to build their "rear bases." These people already have their houses (normally very good ones) and are urban residents according to their household registration, but because they want to have some place "to spend their old days" during the time they still hold official positions, they would use their power and acquaintances "to beg" lands. They would build a house and then hire people (in the capacity of relatives) to take care of it, to protect the land, and to tend its garden. Those who do not have power, or have not enough power "to beg" lands would "ask" some local cadres to serve as intermediaries in dealing with procedural matters and helping them to purchase land. The MLMC has not yet issued any statistics (and it is very difficult to gather statistics) to show how many cases of lands being acquired this way and how many hectares being involved in such cases. However, when we met with farmers in rural villages and agricultural wards in the outlying districts, almost all of them were able to point to the "cadres' houses" and "cadres' gardens," which are usually located in "favorable time and favorable terrain" in the locality. A quick count shows that in An Phu Dong and Thanh Loc Villages (in Hoc Mon District) alone there are no less than 20 such cases. If each case involves from 1,500 to 2,000 square meters, the lands that have been illegally taken in these villages amount to 3 or 4 hectares. Land in the outskirts of the municipality is comparable to a short and narrow blanket which will cover the head of a user if it is pulled forward to cover it, but it leaves the feet uncovered in this case. One more case of "cadres' houses and gardens" inevitably leaves the feet of one farmer household uncovered. What deserves more attention in regard to the above-mentioned cases is the increasing anger of farmers. Recently the newspaper office has received hundreds of letters from farmers who complain about land and, in most cases, make comparisons and raise questions about a Mr A or Mr B who, in spite of having a house and properties in the urban area, still holds land elsewhere as a sign of "status."

Another case that deserves attention is the fact that the number of farmers in rural areas who would deliberately turn crop land into gardens, ponds, and houses seems to be increasing. Taking advantage of the population increase, changes of place of residence or work, or any excess land beyond the average limit, quite a few farmers (including local cadres) have encroached on crop land by building house foundations, digging ponds, erecting partitions, and building gardens while totally disregarding the municipality's plans for crop-growing and residential

zones. If this phenomenon becomes common, land devoted to grain production will be decreasing and this decrease will affect its overall plans for cultivated area and crop productivity.

All these forms of illegal occupation of land we have just reviewed have their own "legitimate objective reasons," no matter what aspects are considered. But if we consider the crop land-population relationship being only 900 square kilometers per person and the living conditions of our farmers in rural areas still encountering many difficulties, no matter what reasons there may be, the fact that agricultural land is being deliberately taken and used for nonagricultural purposes without any consideration of the interests of farmers is unacceptable. It is time for the responsible organs, first of all the MLMC, to conduct a systematic land survey, to classify objects, and to propose to different administration echelons strict handling of all cases of illegal land occupation and taking back of such lands. At the same time, all sectors and echelons—without any exception in favor of any organs or units—must seriously study the draft Land Act. Do not think that only farmers need to fully understand the Land Act. Reality has shown that the most common violators of this act are the organs, committees, sectors, and residents of urban areas who supposedly have nothing to do with crop land.

5598

### Half of Children in Day Care Centers Found Malnourished

42090046a Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 24 Oct 87 p 1

[Article by PH.S.: "Nearly 50 Percent of Children in Day Care Centers Malnourished"]

[Text] During a seminar on "The health and nutrition of children in day care centers," held on 21 October, the mothers and children protection sector said that the situation of the malnourishment of children in very worrisome.

Of a total of 5,676 children in day care centers in and around the city (amounting to more than one-fifth of the total number of children in the municipality), 48.58 percent were malnourished at levels between one and three (at the beginning of 1987, 45.97 percent were malnourished). The A and B day care centers in Subprecinct 6 (Precinct 1) and those in Subprecinct 12 (Go Vap), Tam Tan village, and Cu Chi, had the highest malnutrition rates—more than 70 percent—especially in the 13-24 month age group. Of the four factors resulting in stunted growth, underweight, and slow growth, parasitic diseases affected the largest number—65.18 percent—especially parasites of the digestive system (contracted via food and drink) and the respiratory system.

Measures to overcome that situation were recommended at the seminar. There should be close cooperation among society, the families, and the day care centers, especially in the difficult situation at present. Emphasis should be placed on adequate concern for children under 18 months and on children in day care centers in the suburbs and outskirts. All-out efforts should be made to ensure the quality of the children's meals, especially the increasing of protein. The organs and enterprises in the subprecincts and villages should take steps to help the poor families.

5616

### Greater Effort To Combat Juvenile Delinquency Urged

42090046b Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 25 Oct 87 p 1

[Article by Truong Quan: "There Must Be Complete and Specific Cooperation to Counter Juvenile Delinquency"]

[Text] In recent years the administration and people have continually been concerned with resolving the situation of homeless, misbehaving, and law-breaking children in the city. Many of those children have been placed in schools set up by the War Invalids-Social Welfare Service. Here and there in the precincts and districts there have been set up many kinds of schools and classes, such as the "benevolence classes," evening general elementary schools, and schools. What is the situation now?

### A Worrisome Situation

According to data of the Science and Education Department of the Municipal Party Committee and the Educational Science Institute, between 1977 and 1981, on the average about 2,550 children in the city were detained for violating laws each year, about two-thirds the number arrested under the old regime between 1969 and 1973. The number of children violating laws increased to 3,568, more than in 1979. Of that number, 37.1 percent were under 14, 31.4 were attending school, and 33 percent were children of cadres, workers, and civil servants. Some of the crimes were rather serious: there were 2 murders, 8 knife fights resulting in injury, 4 robberies, 4 rapes, and 175 thefts. Also in 1986, the number of misbehaving youths (usually 10 times greater than the number of children committing crimes) increased 40 percent over the annual average during the 1977-1981 period.

Recently, in some schools students have secretly hand-copied and spread around lewd, decadent, and reactionary books. The phenomenon of students from one school fighting and injuring students from another school is a major worry of parents. Those evils have tended to continue to increase since the beginning of 1987.

### Seeking the Reasons

Children, who are part of the city's community, are also subject to the effects of the common difficulties with regard to living conditions. Many children imitate adults or are seduced by adults and forced to commit crimes. Children from large families or from broken homes (whose parents have divorced, died at an early age, fled by sea and left them behind, etc.) usually easily become wayward children who violate laws, because they are hard-up or were not educated and cared for. There are also some cases in which the family has few children and spoils them, or families of cadres and civil servants in which the parents are absent all day, so the children are left unsupervised and at an early age enter onto the path of criminal activity.

Another rather important reason is that the administrative echelons, mass organizations, and schools have not cooperated closely and made adequate investments (with regard to manpower, funds, and material bases) to care for and educate youths. Propaganda to encourage the masses to participate in carrying out the "The law protects, cares for, and educates teenagers and children" movement has not yet been carried out deeply and broadly, in order to transform it into specific actions with real effectiveness throughout the city.

### There Must Be Harmonious Coordination of Many "Combat Arms"

First of all, it is necessary to provide jobs and permanent housing for everyone in the city, accompanied by the strengthening of family planning, security management, and social order. Living in a cultured family which is sufficiently well-off economically, and in a society with few social evils and little crime, is an essential condition to prevent children's pure souls from becoming sullied.

To create conditions for the children to strengthen their virtue, intelligence, and bodies, we must make appropriate investments in the schools, cultural centers, teenagers' clubs, Vanguard Teenagers' schools, etc., with regard

to funds and material bases. We must resolutely bring an end to the situation of "adults crowding out children, such as taking over equipment and houses that should be set aside for children, or of "adults earning livings on the backs of children," such as by pretending to serve the children but in fact harming them by seeking to make profits in a pragmatic, narrow-minded way.

The contents of the three-sided education (moral, intellectual, and physical) of children who misbehave and violate laws must be specific and practical: eliminating illiteracy, popularizing elementary education, and maintaining and expanding "benevolent classes," evening elementary school classes, and classes which teach both vocational and academic subjects. In addition, it is necessary to have close on-the-spot management (in the subprecincts and villages) and not allow the children to continue to be taken advantage of or to continue to commit bad acts, and must create conditions for them to study and play so that they can rapidly take part in all activities of the other teenagers and children. It is necessary to consolidate and expand the "teenagers' school" managed by the War Invalids-Social Welfare Service, in order to have good conditions for better educating the children in the category requiring concentration.

If those tasks are to be carried out, clearly there must be harmonious coordination among such "combat arms" as the Education, Public Health, Physical Education and Sports, Culture-Information, War Invalids-Social Welfare, Public Security, and Legal services, and among the Fatherland Front, Youth Union, Women's Federation, Trade Union Federation, Culture and Art, PTA, and other mass organizations.

All of those very specific tasks must begin with the understanding that concern for many generations, that the bad aspects of the present generation will adversely affect future generations.

5616

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